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Governor's Budget Summary 1984-85

**George Deukmejian,
Governor,
State of California**



Education



Public Safety



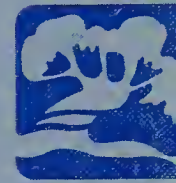
Economic
Development



Health and Welfare



Environmental
Quality



Natural Resources



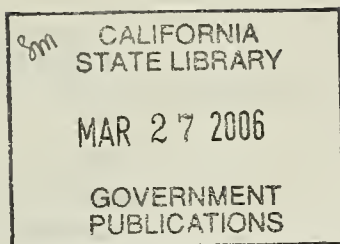
General
Government



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Governor's Budget Summary 1984-85

Submitted by
George Deukmejian
Governor
State of California

to the
California Legislature
1984-85 Regular Session

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GEORGE DEUKMEJIAN
GOVERNOR

State of California

GOVERNOR'S OFFICE
SACRAMENTO, CA 95814

January 10, 1984

To the Senate and Assembly of the Legislature of California:

In compliance with Article IV, Section 12 of the State Constitution, which requires that a balanced budget be presented to you within the first ten days of each calendar year, I submit herewith for your review and consideration the State of California Budget for the 1984-85 fiscal year.

The 1984-85 budget reflects the fact that we have resolved the fiscal problems which plagued us last year. We now have a balanced budget with no deficit, and a prudent reserve for economic uncertainties. This budget is based on the reality that, if we control expenditures and maintain prudent reserves, we will be able to deal with unexpected emergencies in the future such as those caused by major disasters, crop infestations, unfavorable court rulings, or drops in revenues.

The 1984-85 budget establishes as major priorities of my administration -- education, employment and economic development, public safety, and mental health reform. It carries on our determination to ensure that needed State services are provided in as efficient a manner as possible.

It is my hope that, after your review of this budget, we can work together to enact a spending plan which all reasonable people will agree is in the best interest of the citizens of our State.

Most cordially,

A handwritten signature in cursive script that reads "George Deukmejian".

George Deukmejian

DEPARTMENT OF FINANCE

DIRECTOR'S OFFICE
SACRAMENTO

January 3, 1984

The Honorable George Deukmejian
Governor, State of California
State Capitol
Sacramento, CA 95814

Dear Governor:

One year ago the State of California was in the throes of an unprecedented fiscal crisis. We faced a \$1.5 billion deficit, had no cash reserves, and were uncertain whether or not our cash flow situation would allow us to pay our bills and avoid bankruptcy.

In response to this crisis, you proposed an 18-month spending plan which avoided a general tax increase by reducing expenditures in fiscal 82-83, rolling over the remaining year-end deficit into 83-84, and paying off the deficit through savings in the 83-84 budget.

This plan was ultimately adopted by the Legislature with the added condition that, should it fail, a standby sales tax increase would occur. The 1983-84 budget which you signed into law after vetoing \$1.2 billion of excessive spending, carried out the intent of the plan.

Today I am pleased to inform you that your plan to restore fiscal responsibility to our State has been an unqualified success. The Brown Administration deficit will be retired during the current fiscal year, and the standby tax will not go into effect.

The 1984-85 budget, which we transmitted to you, is the final step toward returning California to sound fiscal management. It carries forward your major priorities, while creating a prudent reserve for economic uncertainties. It provides for needed State services while avoiding the over commitment of State revenues which was a major cause of the recent crisis.

This is the last budget that I, as Director of Finance, shall forward to you. I wish to express my appreciation to you for having given me the opportunity to serve the people of our State in that capacity, and to thank you for the support you have given me and my staff.

I close by once again commending to you the women and men of the Department of Finance. Last year I stated that they represented the best in State service. Today I know that they are the best in or out of State service. One major regret at leaving government is that I will be unable to continue to work with them.

Very truly yours,

A handwritten signature in cursive script that reads "Michael Franchetti".

MICHAEL FRANCHETTI
Director of Finance

Budget Statement

The Governor's Budget proposes expenditures of \$29.9 billion in General and Special Funds, a 13.0 percent increase over the 1983–84 fiscal year. The General Fund expenditures amount to \$25.1 billion and represent 84.0 percent of the total. The remaining \$4.8 billion in expenditures are from Special Funds which represent 16.0 percent of the total.

The table below displays the amount of expenditures for State programs or functions by funding source. The pie charts on the following pages reflect the percent that expenditures for each program or function are to total expenditures.

In addition, the Governor's Budget appropriates \$13.6 billion in Federal funds, which, when combined with selected bond funds, brings the total State spending plan to \$43.9 billion, an increase of 7.4 percent over last year.

The Governor's Budget estimates \$30.4 billion in General and Special Fund revenues and transfers, a 12.1 percent increase over last year. The General Fund portion of these resources is \$25.8 billion, or 84.8 percent, with the Special Funds contributing \$4.6 billion, or 15.2 percent.

The table below shows the amount of General and Special Fund Revenues by source. The pie charts on the following pages reflect the percent that each revenue source contributes.

The estimated \$1.5 billion deficit and accompanying cash management crisis inherited by this Administration necessitated significant borrowing in the 1983–84 budget year. In August 1983 \$1.2 billion of revenue anticipation notes were sold to augment internal borrowable resources of approximately \$1.5 billion. The use of these funds is expected to cost the State approximately \$70 million in interest during the 1983–84 fiscal year.

However, the Administration's tight control on expenditures coupled with the economic recovery will enable the State to repay the \$1.2 billion of external borrowing, eliminate the remaining deficit, and end the 1983–84 fiscal year with a reserve of \$200.2 million. Borrowing in the 1984–85 fiscal year should be limited to the historically cash short months of July and August. Thus, the 1984–85 fiscal year cost for interest expenses should be only \$35.0 million.

Also, consistent with Article XIII B of the State Constitution, the Governor's Budget reflects an appropriation of \$950.7 million as a General Fund Reserve. Prior experience has clearly illustrated the need for a prudent reserve to protect the State from unforeseen reduced levels of revenues and/or unanticipated expenditure increases. The proposed reserve represents 3.7 percent of estimated 1984–85 General Fund revenues. This amount should be sufficient to offset any revenue reductions and/or expenditure increases.

1984–85 Expenditure Dollars (in millions)

| <i>Function</i> | <i>General Fund Expenditures</i> | <i>Non General Fund Expenditures</i> |
|---|----------------------------------|--------------------------------------|
| Education (K–12) | 9,601.2 | 150.8 |
| Health and Welfare | 7,548.3 | 87.3 |
| Higher Education | 3,732.8 | 115.9 |
| Business, Transportation and Housing .. | 49.4 | 1,825.4 |
| Tax Relief | 848.4 | – |
| Shared Revenues | 0.4 | 1,772.1 |
| Youth and Adult Correction Agency | 1,057.2 | 31.3 |
| Resources | 323.8 | 271.7 |
| State and Consumer Services | 169.6 | 163.1 |
| Other | 1,745.3 | 363.8 |
| Total ⁽¹⁾ | \$25,076.4 | \$4,781.4 |

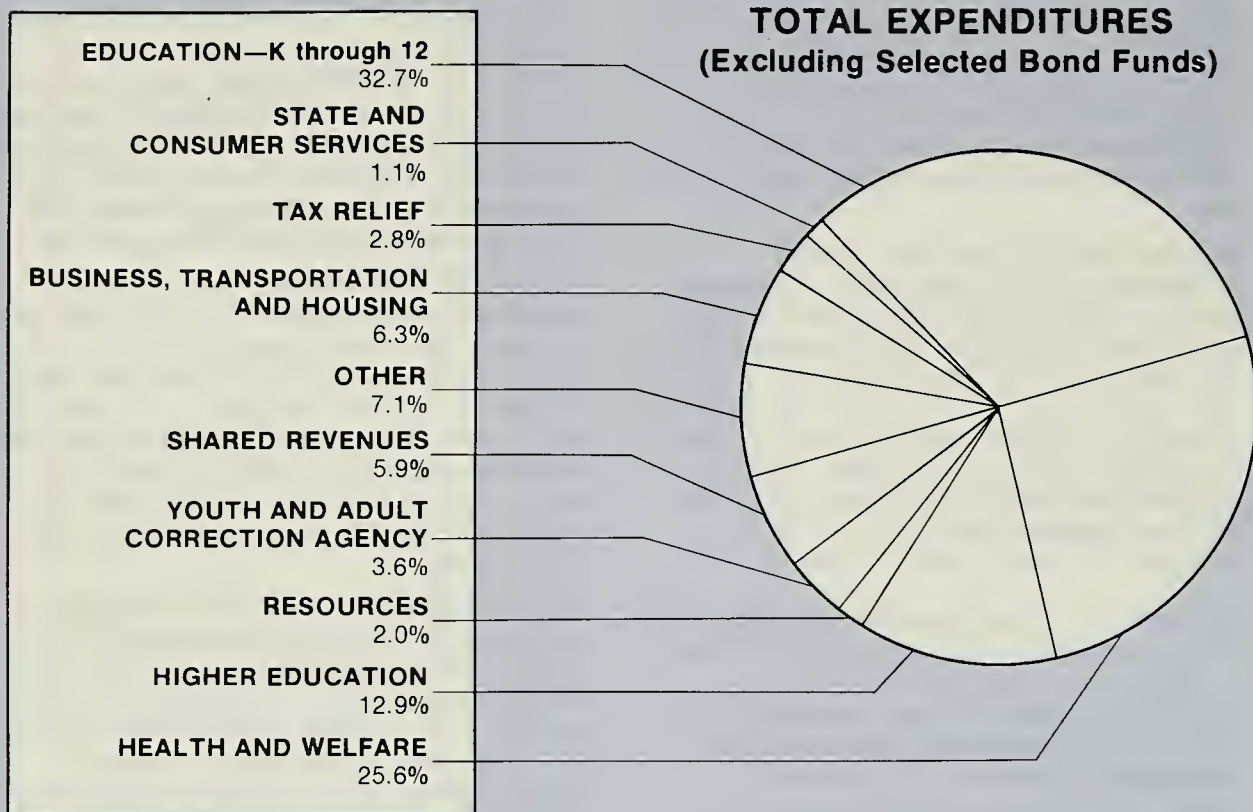
⁽¹⁾ Excludes selected Bond Funds Expenditures.

1984–85 Revenue Dollars (in millions)

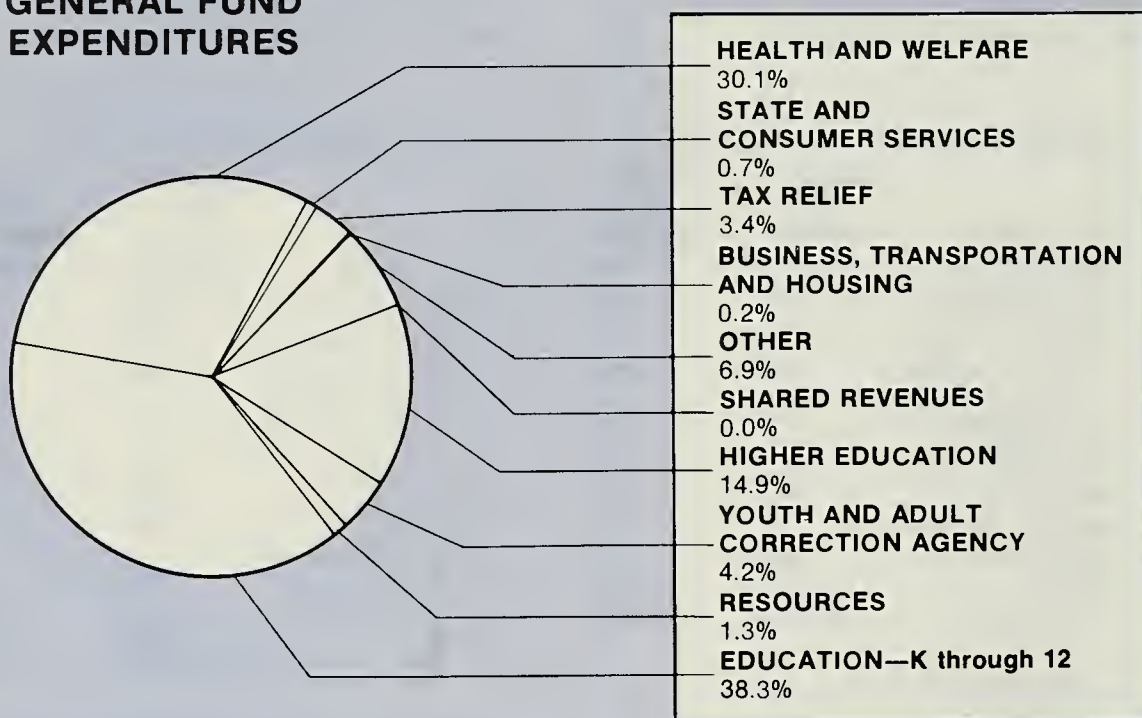
| <i>Source</i> | <i>General Fund Revenues and Transfers</i> | <i>Non General Fund Revenues and Transfers</i> |
|--|--|--|
| Personal Income Tax | 9,860.0 | – |
| Sales Tax | 9,600.0 | 133.0 |
| Bank and Corporation Taxes | 4,290.0 | – |
| Highway Users Taxes .. | – | 2,007.0 |
| Motor Vehicle License Fees | – | 1,224.4 |
| Insurance Tax | 615.0 | – |
| Cigarette Tax | 180.0 | 77.0 |
| Liquor Tax | 136.8 | – |
| Estate, Inheritance and Gift Tax | 186.5 | – |
| Horseracing Fees | 114.0 | 19.8 |
| Other | 843.2 | 1,157.4 |
| Total | \$25,825.5 | \$4,618.6 |

EXPENDITURES

1984-85 FISCAL YEAR

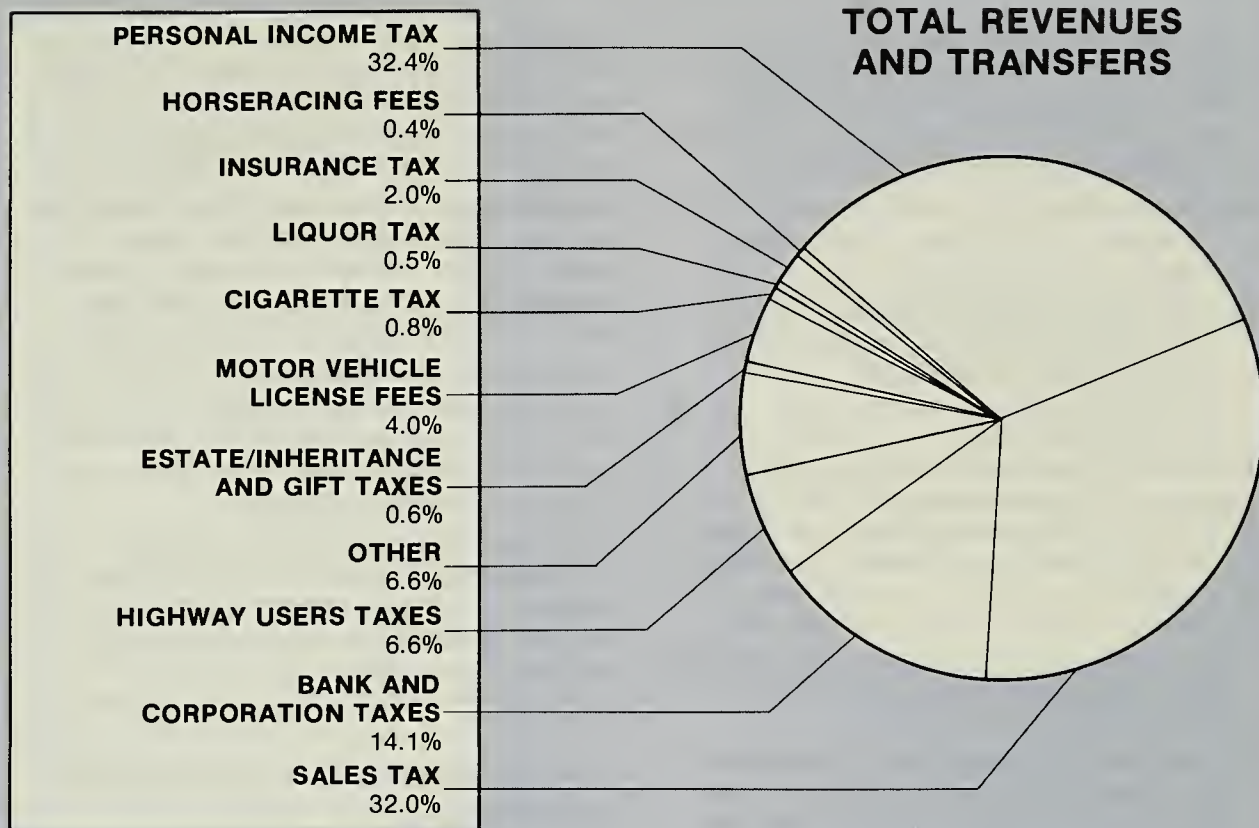


GENERAL FUND EXPENDITURES

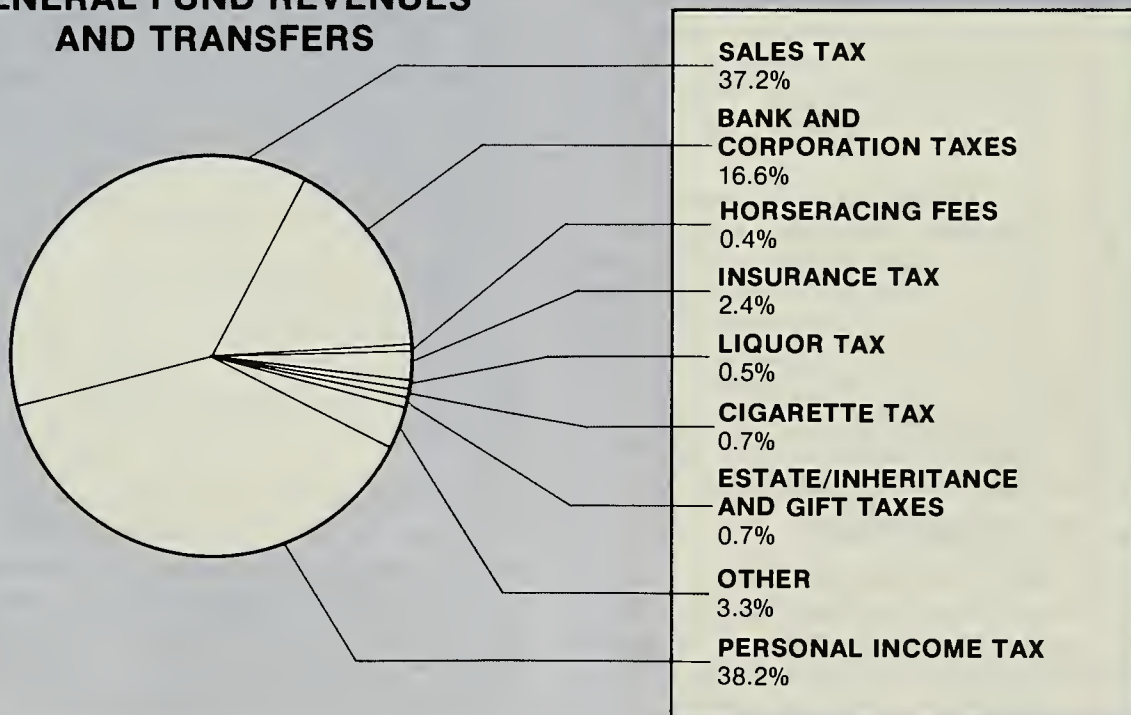


REVENUES

1984-85 FISCAL YEAR



GENERAL FUND REVENUES AND TRANSFERS



Budget History and Policy Perspective

Taking office in January 1983 and facing a projected deficit of \$1.5 billion by June 1983, the Governor drafted an 18-month plan to restore fiscal responsibility to California without a general tax increase. The Governor's plan proposed:

- Reducing 1982–83 expenditures as much as possible in order to lower the projected deficit.
- Rolling over the remaining deficit into the 1983–84 fiscal year and paying it off from savings made in that budget.

The Deficit Paid

The Governor's plan was adopted by the Legislature (AB 28X; Chapter 10X) with the provision that, if it failed to restore fiscal solvency, a standby one-cent sales tax would go into effect on a temporary basis to ensure that fiscal 1983–84 would not end with a deficit. The Director of Finance was given responsibility for determining in October and again in January 1984 whether the standby tax would go into effect.

The 1983–84 budget, which was signed by the Governor after vetoing \$1.2 billion in excessive expenditures, implemented the Governor's plan.

As fiscal 1983–84 progresses, it has become clear that the Governor's plan has worked and that the deficit will be paid off from increased revenues and decreased spending, rather than from the standby taxes. Neither standby tax will take effect, and the State will end the year with a modest surplus.

The success of the Deukmejian plan has depended on keeping expenditures sufficiently below revenues to ensure that there are adequate funds to repay the deficit and to provide a modest surplus. This goal has been achieved both through the Governor's \$1.2 billion dollar veto of appropriations in the budget submitted to him by the Legislature, and through major economies effected by tight administrative control over the day-to-day operations of State government.

Size of Government

Another result of the Governor's tight administrative control over State operations has been a substantial reduction in the size of State government as measured by the number of persons employed. As a result of a strictly enforced freeze on new hiring, approximately 6,700

personnel years were vacant as of July 1983. A review of the vacancies by management showed that due to increased efficiencies approximately 5,900 of these positions were no longer needed, and could be eliminated from the State payroll.

Following the Governor's policy of setting priorities and redirecting funds and positions to higher priority programs, 1,000 of these positions were converted to positions in areas of urgent need such as prisons, highway patrol, and Caltrans.

The remaining 4,900 positions are no longer needed for State operations and are eliminated in this budget. This action reduced the number of authorized State employees from 234,400 to 229,500, a 2.1 percent reduction.

In the future, additional efficiencies in government will be explored to determine if even further reductions in authorized personnel can be achieved. These reductions have had no effect upon the efficient delivery of needed public services by State government.

Considerations in Preparing the 84–85 Budget

The Deukmejian Administration took office with the goal of resolving the State's fiscal problems without a tax increase. The Administration's review of government spending showed that the State was experiencing the same growth spiral that has characterized the American public sector for much of this century. The spiral exists because government has difficulty reducing the "base" and because government tends to "revenue budget."

The "base" in a government budget is the amount of money spent on a program in the previous year. Once "built into the base," a funding level is often viewed as a vested right to which a department and its program constituents are permanently entitled. Budget controversies do not usually revolve around rejustification of a program's base. The issue usually is how much more should be spent *in addition* to the base.

"Revenue budgeting" is budgeting to spend every penny of revenue. In the private sector there is an incentive to keep expenditures below revenues-- "profit." In government, there is no such incentive. Rather, the incentive is to earn the support of various constituencies by spending on programs

and services that respond to their needs or interests. Thus, the incentive is to spend up to and sometimes beyond projected revenues.

These two concepts interact with economic and political cycles to create growth spirals in government. During good times, revenue budgeting creates a base equal to revenue. If a recession occurs and revenues decline, government is faced with the pressing problem of how to maintain the prior year's base expenditure level.

In California's case, the existence of a major revenue surplus between 1976 and 1981 lengthened the growth spiral. Initially, revenues poured into the State's Treasury faster than the Governor and Legislature could spend them. However, the base budget not only caught up with revenues, but eventually overtook them.

Permitting excessive growth while at the same time underwriting the massive Proposition 13 bailout to local government, meant that the State was using its surplus to live on borrowed time. Nevertheless, with vast indifference to the growing gap between its incoming revenues and its annual expenditures, the State continued its growth spiral, not only preserving its base, but adding to it.

If one side of the growth spiral supports "high living," the downward side of the spiral threatens red ink. A private organization faced with a similar situation might retrench and thus bring expenditures down to the level of revenues.

Government, on the other hand, typically tries to fund the base in some manner. Faced with a budget that cannot be supported by revenues, the common recourse is tax hikes. Later, when an economic recovery occurs, the newly expanded tax structure generates more tax dollars than are necessary to fund the old base. With additional money suddenly available, the tendency is to engage in another round of revenue budgeting, thereby creating a new and higher expenditure base. Then, when another drop in revenue occurs, the cycle is repeated, government grows, and taxes keep pace.

In view of these considerations, this budget is built upon certain budgetary principles:

- *Periodic fiscal crises are not necessary if government plans carefully and lives within its resources.* The growth spiral, not recessions per se or extraordinary use of surpluses, was the root cause of the State's fiscal dilemma.

Prudent long-term planning can control the growth spiral and avoid future fiscal crises.

- *Expenditures should be keyed not to revenues but rather to reasonable limits that can be sustained through recessions by drawing on prudent reserves.* Revenue budgeting undermines government's ability to survive economic cycles unless tax hikes are made. The Governor and the Legislature should be responsible for charting an expenditure course which is realistically above the economic troughs, but prudently below the revenue peaks. By planning properly, economic stabilization can become a reality.
- *Base programs require ongoing review of their necessity.* The base merits the same careful scrutiny as do new programs. To the extent possible, redirections should fund new programs. Every effort must be made to achieve savings in the base by eliminating obsolete programs and reducing lower priority activities.
- *A prudent reserve is essential to fiscal stability.* Absent a prudent reserve, the State cannot ensure its ability to deal with economic fluctuations or other fiscal emergencies. Sound fiscal management demands that such a reserve be established and maintained.

Education

Education is the key to California's future if we are to continue to maintain a leadership position in our nation and the world. After years of neglect, elementary, secondary and higher education are among the highest priorities of State government. This Administration's goal is to make the California educational system one of the best in the nation.

General Fund expenditures in the Governor's Budget for all educational programs total \$13,334.0 million, an increase of \$1,901.9 million or 16.6 percent over 1983-84. This level of expenditure represents 53.1 percent of total General Fund expenditures for 1984-85. The allocation of these funds is shown in the following table.

Education Expenditures General Fund and Local Revenue Sources (dollars in thousands)

| | <i>1983-84</i> | <i>1984-85</i> | <i>% Increase</i> |
|---|----------------|-------------------------|-------------------|
| University of California | \$1,110,012 | \$1,446,673 | 30.3 |
| California State University | 947,995 | 1,149,014 | 21.2 |
| California Community Colleges | 1,416,689 | 1,578,826 ¹ | 11.4 |
| Student Aid Commission | 81,077 | 90,376 | 11.5 |
| K-12 | 10,983,000 | 11,902,000 ¹ | 8.4 |
| State Teachers Retirement System | 20,500 | 536,045 | N/A |
| Other | 13,135 | 16,875 | 31.1 |
| Total Expenditures | 14,572,408 | 16,719,809 | 14.7 |

¹ These totals include not only General Funds but expenditures from State School Fund revenues and local sources, primarily local property taxes, of \$3,385.8 million.

Higher Education

California's system of public postsecondary education is the largest in the nation. As part of the Administration's focus on education in the 1984–85 Budget, particular emphasis has been given to higher education. With limited resources available during the past several years, common problems have arisen in the postsecondary education segments. They include faculty recruitment and retention, facilities maintenance, deferred maintenance, instructional equipment replacement, and instructional computing support. The Administration has uniformly dealt with these needs and has provided significant funding to address the identified problems.

University of California

The nine campuses of the University of California are recognized nationally and internationally for the excellence of their programs. In a recent widely respected study, the Berkeley and Los Angeles campuses were ranked number one and two in the nation among public institutions in terms of faculty quality.

Resource constraints of recent years have caused substantial deterioration in State support for the University. The 1984–85 budget represents the first year of a multi-year plan to restore the University's budget to a level that ensures the continued excellence of its programs in the future.

The plan calls for improvements (1) to the instructional program through increased support for items such as instructional equipment and instructional use of computers, (2) to facilities through additional support for both ongoing and deferred building maintenance as well as support for renovation and construction, and (3) to faculty compensation to secure a competitive position for the University in recruiting and retaining faculty.

The 1984–85 budget for the University will provide education to 118,842 full-time equivalent (FTE) students at the general campuses and 12,315 FTE students in the health sciences. This reflects an increase over 1983–84 of 2,510 FTE general campus undergraduate students and 200 FTE general campus graduate students. The Administration proposes an increase of \$10.3 million to support these enrollment increases. The additional graduate students will strengthen the University's capacity to respond to student and societal demand for the development and expansion of programs in fields such as



engineering, computer science, and other sciences.

The budget proposes a total of \$1.447 billion from the State General Fund for the University, which represents a \$126 million (11.2%) increase above the 1983–84 level of support for normal program expenditures. This is exclusive of \$113.7 million for salary and benefit increases and \$82.9 million reflecting resumption of the State's actuarially required contribution to the University's retirement systems, which was deferred in 1983–84.

- The budget proposes to provide salary and benefit increases for academic and staff employees. The faculty salary increase will be phased in during the year, with a first increment effective on July 1, 1984, and a second increment on January 1, 1985, for a total State-funded increase of 13 percent. The University is providing an additional 3 percent increase for faculty by shifting funds from retirement contributions to salaries. The total 16 percent increase will bring university faculty salaries to the average faculty salary levels projected for the University's eight comparison institutions in 1984–85.

With the improved salary levels, the University will be able to compete effectively with other major research universities in efforts to attract and retain the nation's most outstanding scholars. This Administration has recognized this as one of its highest budget priorities, emphasizing that the quality of the faculty is the most important element in the quality of the University. The total cost of these actions will be \$113.7 million.

- In order to provide relief to University students, whose fees have increased steeply in recent years, and to provide funding equity among the segments of higher education, the

budget proposes an increase of \$7 million to provide full State funding for the Student Affirmative Action Program and Educational Opportunity Program financial aid. These programs are designed to increase the opportunities of under represented groups in higher education. The State has recognized its responsibility for fully funding these programs at the California State University and the community colleges, but at the University the programs have received student fee support. The budget increase will replace University student fee income and allow an annual fee reduction of \$70 per student.

To support basic research and graduate education in microelectronics, computer science, engineering, and related fields, the Administration is proposing an increase of \$2 million for its microelectronics research program. This program involves industry participation, and State funds are to be matched by industry contributions.

In addition, an increase of \$500,000 is provided for individual faculty research. This will assist junior faculty in becoming competitive with more established researchers in seeking extramural grants. For all faculty, it will support research costs such as supplies, equipment, and field work; serve as seed money in attracting extramural funds; and support research in fields where there is little or no possibility of extramural funding.

To improve instructional programs an increase of \$12.3 million is provided to fund the estimated level of annual depreciation of State-funded instructional equipment and prevent further growth of an inventory of obsolete equipment now exceeding \$228 million. An increase of \$4 million is proposed to expand student access to computers, provide course-oriented software, and support instruction in the use of computers.

In recognition of the need to increase the number of women and minority graduate students and faculty members, this budget proposes an expansion of Student Affirmative Action programs directed at improving the academic skills of undergraduate students who demonstrate potential for graduate level work and the expansion of faculty affirmative action efforts by early identification of promising minority and women students at the graduate level for development and

recruitment for faculty positions at a cost of \$1 million.

The 1984-85 budget provides a significant improvement in capital outlay funding for the University of California in order to begin to address deficiencies that have accumulated over time. 1984-85 represents the first year of a multi-year effort to ensure that University facilities provide appropriate support for the University's academic programs. The 1984-85 capital outlay budget for the University of California provides \$55,260,000 from the Capital Outlay Fund for Higher Education (COFPHE) and \$58,145,000 from the sale of high technology revenue bonds. Revenue bonds will be used to fund the construction of two new major academic facilities: the Life Sciences Building on the Berkeley campus and Engineering Unit 2 on the Santa Barbara campus. COFPHE funds will support a wide range of projects relating to improvement of academic facilities, correction of life-safety deficiencies, provision of access to the handicapped, and energy conservation improvements.

An increase of \$6.5 million is proposed as an initial step in reducing a backlog of critical deferred maintenance projects which exceeds \$50 million. This will assist in beginning to return University facilities to a reasonable state of repair and functional capability. An additional \$4 million is provided as the first phase of a plan for improving ongoing building maintenance, allowing more frequent preventive maintenance, prolonging the useful life of facilities, and reducing costly breakdowns.

California State University

The California State University (CSU) system with its 19 campuses is the largest system of its kind in the nation. It serves over 450,000 students who are enrolled in nearly 2.5 million courses and confers approximately 53,000 degrees annually.

As was true of the University of California, the State University system has also experienced the problems associated with limited resources over the past several years. The Governor's Budget represents the first year of a multi-year plan to restore the State University's budget to a level that ensures the continued excellence of its programs in the future. The plan calls for improvements (1)

to the instructional program through increased support for items such as instructional equipment and instructional use of computers, (2) to facilities through additional support for both ongoing and deferred building maintenance as well as support for renovation and construction, and (3) to faculty compensation to secure a competitive position for the State University in recruiting and retaining faculty.

The Administration proposes a 1984–85 General Fund expenditure level of \$1,149,014,000, an increase of \$201,019,000 or 21.2% over the 1983–84 operating budget. Overall expenditures are proposed to increase to \$1,792,369,000.

- Faculty salaries in CSU have lagged 10 percent behind comparable institutions creating both recruitment and retention problems. To stop and reverse the "Brain Drain", the Administration is proposing an employee compensation program which would provide a 9 percent salary adjustment for faculty on July 1, 1984, and an additional adjustment of 1 percent on January 1, 1985, which would complete the adjustment and meet the currently estimated lag by the California Postsecondary Education Commission. Additional benefits of 1 percent on July 1, 1984, provide for a total package of 11 percent.
- In order to provide relief to State University students, whose fees have increased steeply in recent years, the budget proposes an increase of \$11.9 million to provide full State funding for financial aid grants. The budget increase will allow an annual fee reduction of \$42 per full-time student.
- The budget includes \$1 million for faculty development, recruitment and retention. This amount will provide funds to upgrade computer literacy skills for approximately 3,000 faculty; enhance the teaching skills of practitioners who work in the engineering, computer science and business fields and are involved in part-time instruction; and provide for recruitment, relocation and moving expenses in such fields as engineering, computer science, business and health services.
- A major portion of CSU's instructional equipment was acquired in the 1950s and 1960s as a part of an ambitious capital outlay program. With the passage of time, much of this equipment needs to be replaced because of obsolescence. The need for these funds is made increasingly critical because of rapid

technological advances and increased student demand in high technology disciplines. To preserve the quality of education the Administration has included \$9 million as a first step in addressing needs in this area.

- The Administration also proposes improving services of the instructional programs by adding \$3,425,000 and 170.4 personnel years for technical staffing, \$2 million for supplies and services and \$5 million for instructional computing.
- An increase of \$6.6 million is proposed as an initial step in reducing a backlog of critical deferred maintenance projects which exceeds \$40 million. This will assist in beginning to return State University facilities to a reasonable state of repair and functional capability.
- The 1984–85 budget proposes \$27.7 million for the CSU capital outlay program. System-wide projects within the program include fire and life-safety corrections and the removal of barriers to the handicapped. Eleven energy projects are also proposed at various campuses in order to achieve future operational (utility) savings. Funds are also included to provide for a study of library utilization and standards. Construction funds provide for conversion and remodeling projects at several campuses and planning and working drawing funds for new engineering, math, computer sciences, and agricultural science buildings at three campuses.

High Technology

A significant factor in California's ability to take an early leadership position in high technology was the State's investment in University research and graduate education. State funding provided essential research support and educated skilled personnel for the new and growing high technology fields.

The Governor's Budget recognizes the economic importance of retaining and attracting high technology industries to this State. Because educational resources play such a crucial role in the high technology sector, this budget provides major assistance for basic university research and graduate education:

- For 1984–85 the Administration is proposing to increase State financing for high technology-related programs at the University of California by \$6.6 million. These increases include \$2 million for microelectronic research,

\$6 million for graduate science students, \$4 million for instructional computing support and funds for additional equipment.

- The State University budget for 1984–85 proposes an increase of \$17.4 million for high technology-related purposes. These increases include \$9 million for instructional equipment, \$5 million for instructional computing and \$3.4 million and 170.4 personnel years for technical staffing.

California Community Colleges

By far the majority of students in postsecondary education in California are found in the Community Colleges. Enrollment was over one million in the fall of 1983. State General Fund support for these students and their colleges is approaching a billion dollars for 1983–84. But numbers of students and dollars, however great, fail to reflect the importance of the Community Colleges to the State and to their local constituents. Currently California's Community Colleges have undertaken a broad array of missions including the following:

- Transfer education
- Associate education and degrees
- Certificate programs for employment
- Joint programs with business, industry, and government
- Remediation and basic skills education
- Continuing and community education
- Community services

These functions represent the variety and nature of the activities currently being carried on by these institutions and represent how the financial support provided from State and local sources is expended.

The program budget for the Community Colleges in 1983–84 was approved at the level of \$1,315 million which was lower than the previous year by approximately \$97 million. This was the result of a disagreement between the Legislature and the Administration as to the appropriateness of instituting a fee for those students who have the financial ability to share in the cost of their education.

Among the significant issues contained in the Governor's Budget are the following:

- The Administration has not changed its position relating to the desirability of students contributing a portion of the cost of their

education. However, in order that the students in Community Colleges do not become the victims of this policy difference, the Administration will propose by special legislation, at the earliest opportunity, providing for a \$50 million augmentation for the 1984 spring semester which represents the financing lost to Community Colleges by the failure to allow the colleges to collect fees. For 1984–85, financing is provided to increase support by an additional \$47 million to the level of \$1,412 million. This represents an expenditure increase between two years of \$97 million.

The Administration continues to recommend implementation of an appropriate fee for all community college students. This revenue is estimated to have a value of \$95 million which the districts would retain for basic program improvements. This action would raise the level of funding to \$1,507 million or a change from the 1983–84 budget of \$192 million. An appropriation of \$10 million is included in the Chancellor's Office for allocation to the districts to cover financial aid for students unable to pay the new fee.

- Also within the Governor's Budget for 1984–85 is a 3 percent increase for Extended Opportunity Programs and Services (EOPS) and for the Disabled Students Program (DSP). The cost will be \$0.75 million for EOPS and \$0.66 million for DSP.

Program Funding Summary

| | |
|---|-----------------|
| 1983–84 Level..... | \$1,315 million |
| 1983–84 Spring Semester Funding..... | 50 million |
| 1984–85 Interaction-New Partnership | 10 million |
| Local Revenue Increases..... | 37 million |
| Student Fees, Program Improvements..... | 95 million |
| 1984–85 TOTAL PROGRAM..... | \$1,507 million |

- The Governor's Budget proposes \$26,704,000 for the Community Colleges Capital Outlay Program. This proposed expenditure will fund 22 projects totaling \$3,145,000, for elimination of architectural barriers to the physically handicapped and \$501,000 for an initial complement of library books for two libraries. Fifteen construction projects requiring \$21,657,000 are proposed to improve and expand academic facilities at various campuses. These include initial permanent buildings for Mendocino Community College and the Orange/Canyon Campus of the

Rancho Santiago Community College District and site preparation for the Lake Tahoe College and the Occupational Education Building at Oxnard College.

Funds in the amount of \$744,000 are requested for other projects which involve planning and working drawing funds for buildings at Lake Tahoe College, a Natural Science Building for Oxnard College, a Nursing Education and Health Technician Building for Imperial Valley College, preliminary planning for 1985–86 projects, and a study of library standards and utilization. Detailed information on projects can be found within the budget presentation.

Student Aid Commission

Through the Student Aid Commission financial assistance is provided to academically able, financially needy students who are pursuing postsecondary educational opportunities. In 1983–84, the Commission will administer approximately \$85.8 million in grant assistance to over 63,000 students.

In addition to the grant programs, this agency administers the State Guaranteed Student Loan program and serves as the State guarantee agency for federally reinsured student loans. This rapidly expanding program is expected to generate approximately \$600 million in new loans during 1983–84, bringing the total of the program to over \$2 billion as of June 30, 1984.

While the current investment in educational opportunities provided by the State are substantial, the need for access and educational opportunity is also substantial if California is to develop its most valuable resource—its citizens. Most of the scholarship programs which the Commission manages have had no increase in the number of scholarships for almost a decade. The level of support in terms of maximum grant amounts has not increased since the 1981–82 fiscal year, a period of 3 years.

Therefore, the 1984–85 Governor's Budget proposes augmentations to increase assistance to educationally qualified and needy students in order that opportunities for higher education will be expanded. This increased assistance will provide:

- Scholarship Program (Cal Grant A):
10% increase in grants, 10% increase in maximum award amounts.

- College Opportunity Grants (Cal Grant B):
10% increase in the number of grants, 10% increase in maximum award amounts, and a 10% increase in the subsistence allowance.
- Occupational Education and Training Grants (Cal Grant C):
6% increase in the number of grants and a 6% increase in the maximum award amount.
- Graduate Fellowship Program:
6% increase in the number of grants and a 6% increase in the maximum award amount.
- Bilingual Awards:
20% increase in the number of awards and a 6% increase in the maximum award.

These increases will result in an \$11 million augmentation for 1984–85.

Elementary and Secondary Education

Providing a quality education for the young people of this State is one of the highest priorities of this Administration. The Governor's Budget reflects the Administration's commitment to ensuring that California's education system should be among the best in the nation.

California has a large elementary and secondary (K-12) education system. Its 1,029 local school districts spend over \$13 billion annually to educate approximately 4 million students ranging in age from 3 to 18 years, and to educate adults through the K-12 districts and county offices of education.

In the 1983-84 fiscal year the Governor signed Chapter 498, Statutes of 1983 (SB 813), which initiated reforms in the areas of student academic performance and discipline, curriculum, and quality of teachers. To assist local education agencies in implementing those reforms, the Governor approved substantial increases in K-12 education funding in 1983-84. With the enactment and signature of SB 813 local education agencies are expected to receive \$880 million of new revenue in 1983-84.

Notwithstanding these accomplishments additional reforms are required if we are to truly revitalize California's system of K-12 education. To assist local education agencies in making California's K-12 system the best in the nation, the Governor will be presenting his proposal for additional K-12 reforms early in 1984.

In keeping with his commitment to improving the quality of K-12 education in this State, the Governor, in 1984-85, is proposing to continue the 1983-84 funding provided by SB 813 and to add \$900 million to provide for necessary price adjustments, to implement the SB 813 reforms scheduled to begin in 1984-85, and to implement the Administration's additional reform proposals. The additional K-12 funds the Administration proposes in 1984-85 are contingent on the adoption of those new reforms.

School Finance

Total revenues for the State's K-12 school districts are expected to be \$880 million greater in 1983-84 than in 1982-83. Total general purpose revenues of school districts and county offices of education alone are estimated to be \$8,484 million in 1983-84. The proposed budget for 1984-85 reflects \$9,241 million for K-12 general purpose revenues and \$2,543 million of State funding for categorical programs.



This general increase in funding in addition to the full funding of the second year costs of SB 813 will bring real expenditures per pupil in average daily attendance (ADA) to a five-year high:

- Expenditures per ADA are estimated to increase from \$2,360 in 1982-83 to \$2,751 in 1984-85—an increase over the first two years of this Administration of \$391 or 16.6%.
- Even when compared in terms of constant dollars—with the effects of inflation removed—the 1984-85 Budget provides an increase in funding over the previous seven years. As the table below indicates, taking 1977-78, the last pre-Proposition 13 year as the base year and adjusting subsequent K-12 annual expenditure levels to remove the impact of inflation, the Governor's 1984-85 Budget provides a 2.9 percent increase in funding.
- The increases for 1983-84 and 1984-85 are particularly significant since they reverse the general decline in real spending which had been under way since 1979-80. An eight-year history of K-12 education expenditures and the cost-of-living index is displayed in the following table.

| | <i>K-12 Expenditures per ADA (\$)</i> | <i>GNP Deflator (1977-78 = 100)</i> | <i>Real K-12 Expenditures per ADA (in 1977-78 \$)</i> |
|-------------------------|---|---|---|
| 1977-78 | \$1,676 | 100.0 | \$1,676 |
| 1978-79 | 1,814 | 108.6 | 1,670 |
| 1979-80 | 2,065 | 117.8 | 1,753 |
| 1980-81 | 2,204 | 129.3 | 1,705 |
| 1981-82 | 2,358 | 139.6 | 1,689 |
| 1982-83 | 2,360 | 146.3 | 1,613 |
| 1983-84 | 2,567 | 151.7 * | 1,692 |
| 1984-85 | 2,751 | 159.5 * | 1,725 |
| Percentage Change: | | | |
| 1977-78 to 1984-85 | 64.1 | 59.5 | 2.9 |
| * Estimated | | | |

Under the proposed budget, school districts and county offices would receive a general increase of 3 percent for both regular and categorical programs. Consistent with Senate Bill 813, low-wealth school districts also would receive \$145 million to increase their base revenue limits to the average base revenue limit for districts of the same type (elementary, high school, unified; small and large).

SB 813 Reforms

The following is a brief description of some of the major reforms initiated by SB 813:

High School Graduation Requirements.

Achievement scores of California students have declined significantly during the past decade. SB 813 addressed this problem by establishing more rigorous statewide high school graduation requirements, to begin with the graduating class of 1986. By raising academic expectations, this reform will better enable schools to equip California's youth for their future role in society.

Incentives for Increased Instructional Time.

Recent studies have indicated that California students spend fewer minutes per day and days per year in direct classroom instruction than do students in other states. To encourage the State's local education agencies to increase the amount of time students spend in the classroom, SB 813 authorized State funding for districts that operate schools for at least 180 days per year and a specified number of minutes per day. The Governor's Budget proposes \$257 million in 1984-85 to fund the first year of SB 813's three-year implementation plan.

Summer School. Since 1978, State funding for summer school has been limited to remedial instruction for students not meeting proficiency or graduation standards. In 1984-85, the Governor's Budget provides State funding to expand summer school course offerings. Beginning in 1984-85, school districts and county offices will receive state funding for offering summer school instruction in math, science and other core courses.

The need for increased emphasis on basic instruction in math, science and English has been recognized by educators and concerned citizens throughout the country. To ensure that schools in California meet this need, the Governor's Budget contains \$41 million to fund supplemental summer school instruction in these areas as well as \$18 million for traditional remedial summer school instruction.

Instructional Materials. Textbooks are hands-on tools for direct use by all pupils in the education system. Textbooks must be available for all students, and they must be current and challenging. Recognizing this, SB 813 increased State funding for instructional materials for students in kindergarten through grade 8 and established a State-funded allocation for students in grades 9 through 12. The 1984-85 Governor's Budget provides \$76.8 million to continue the expanded level of funding established by SB 813. This amounts to an 89 percent increase over the 1982-83 program level.

School Environment. To provide a safe and healthy school environment conducive to effective instruction, SB 813 strengthened the ability of school officials to take disciplinary measures against those few pupils who would disrupt the learning environment. Among other things, SB 813 provided for:

- Mandatory suspension and expulsion of pupils committing acts of violence on school grounds or at school activities.
- A streamlined process for suspending or expelling pupils who violate State laws and district regulations.
- Increased flexibility of school officials to determine the degree of make-up work necessary for suspended pupils.
- Authorization for school districts to promote and retain students based on locally-adopted policies.

Capital Outlay

The Governor's Budget recognizes that adequate school facilities are an essential part of California's education system. With this in mind, the budget provides over \$325 million for school construction and \$87 million for school facility deferred maintenance in 1984-85. This is an increase of \$181 million, or 75 percent over 1983-84 expenditure levels.

Due to limitations in anticipated Tidelands Oil Revenue for 1984-85, it has been found necessary to reallocate the anticipated oil resources among all the capital outlay programs which are normally supported from this source.

Although revenues will not be sufficient to allow the State School Building Lease-Purchase Fund to receive the full amount scheduled by statute, it is recognized that there is an ongoing need for funds for school construction. The Governor's Budget

proposes that \$100 million in Tidelands Oil Revenue be provided in lieu of the \$200 million scheduled by Chapter 168, Statutes of 1981.

The current sources of school construction funding, which are school building bonds authorized by the State School Building Lease-Purchase Bond Act and Tidelands Oil Revenue, authorized by Chapter 168, Statutes of 1981 will not be available after the 1984–85 fiscal year. This budget proposes that current statutes be amended to provide \$125 million per year through Fiscal Year 1988–89.

For the last several years the allocation of funds to local education agencies has been a slow and cumbersome process. In recognition of this, the Administration proposes to modify the allocation process in order to respond to the classroom needs of the students in the public school system more rapidly.

State Teachers' Retirement System

The State Teachers' Retirement System (STRS) has an unfunded liability that is estimated to reach \$50 billion by the turn of the century. This is not a new problem for STRS. Since the inception of STRS in 1913, allowance payments were based on insufficient employer, employee, and State contributions. This mechanism inherently created a compounding unfunded liability of substantial proportion.

Although legislation was passed in 1972 to declare that STRS would be a reserve funded system, the funding formula was not sufficient to control the growth of the unfunded liability especially in light of liberalized disability benefits. Therefore, AB 8 of 1979 established the current formula for increased State contributions to STRS. This revised formula, however, still leaves the system short of the goal of meeting full funding in 40 years (the accepted norm for pension funds).

While contributions from employers, teachers and the State comprise about 52 percent of the annual revenues to the Teachers' Retirement Fund, approximately 45 percent of the annual revenues are currently derived from income earned on the assets of the fund. It is easy to see that the success of the investment program at STRS can greatly affect the need for additional state funding of the system.

The purpose of the fund, of course, is to pay benefits to retired members. Even though benefits paid to retirees and beneficiaries will approach \$900 million in 1984–85, many recipients receive payments that are inadequate because of the effects of inflation.

These problems have evolved over the 70 years that STRS has been in existence. The unfunded liability is one of the largest fiscal problems facing the State of California. Rarely are there short-term solutions to long-term problems, and so it is with STRS. The 1984–85 Budget reflects the first steps in addressing these problems. Those steps include:

- Fully funding the State's contributions as required under AB 8 for an appropriation of \$301 million.
- Restoring the \$211.3 million withheld in 1983–84 due to the severe shortfall in the General Fund.

- Fully funding the purchasing power protection provisions of Education Code Section 24701 in the amount of \$23.7 million.
- Providing additional purchasing power protection payments through \$11.2 million in revenues derived from the sale or lease of surplus state school lands in accordance with the provisions of Chapter 1213, Statutes of 1983.
- Participating in the 12 member panel created by ACR 62 convened to study the funding and benefit structure of STRS in hopes of developing a long-term solution to underlying STRS problems.
- Endorsing the recommendations of the Blue Ribbon Committee convened by the Secretary for State and Consumer Services to review the investment strategy and policies of STRS and PERS. Those recommendations include:
 - (1) the creation of an Investment Management Board separate from the STRS Board, to have fiduciary responsibility for investment policy and selection of internal and external investment management;
 - (2) separate in-house investment staff for both STRS and PERS;
 - (3) some management of funds by outside managers;
 - (4) changing accounting procedures and record keeping to reflect total return based on current market values; and
 - (5) investment staff compensation to be related, at least partly, to performance.
- Funding staffing needs and encouraging full implementation of a computerized information system.

These steps only address the immediate needs in finding a solution to the STRS funding and operational problems. The Administration and the Legislature must work together to guarantee the solvency of STRS for the years to come.

Public Safety

Our basic freedoms depend on society's observing and enforcing the laws of civilized existence. Yet crime statistics are high due to growth in the phenomena of career criminals, youthful offenders, and drug-related property crimes. Communities and families are both angry and afraid. This Administration is deeply committed to upholding the law and restoring public safety in California.

The Governor's Budget proposes expanding our prison system to accommodate the drastic increase in inmate population as a result of tough sentencing laws, increasing the number of correctional officers, improving law enforcement data systems, and increasing California Highway Patrol personnel to provide needed protection and assistance to the motoring public.

The budget also includes additional resources to strengthen local law enforcement. It provides increased financial assistance for training local peace officer and correctional personnel, local jail construction, delinquency prevention projects,

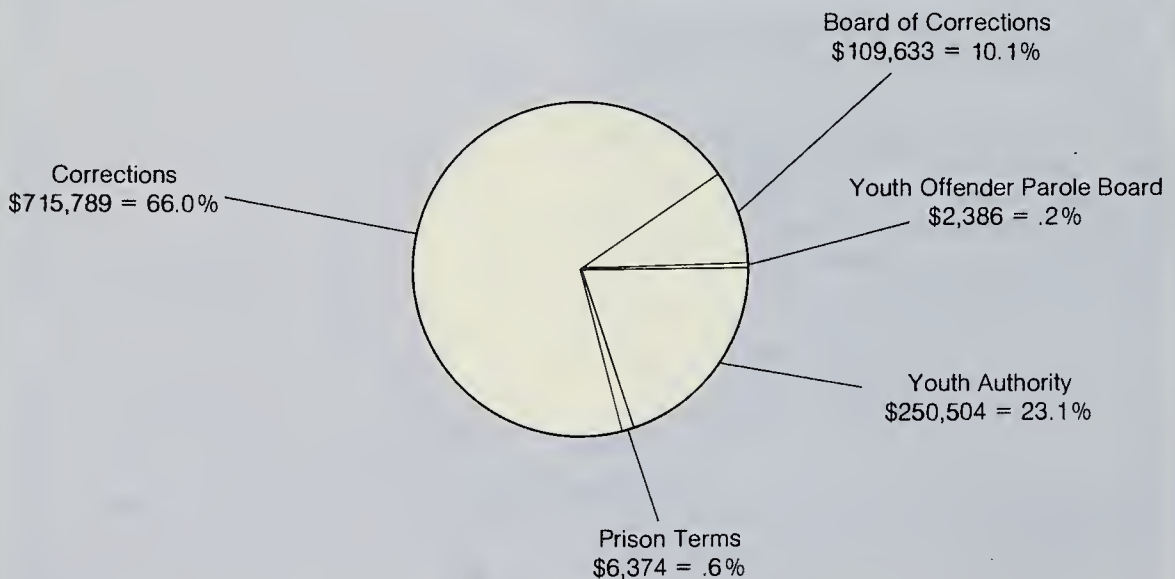
victim assistance programs, and criminal prosecution efforts.



Prison Construction

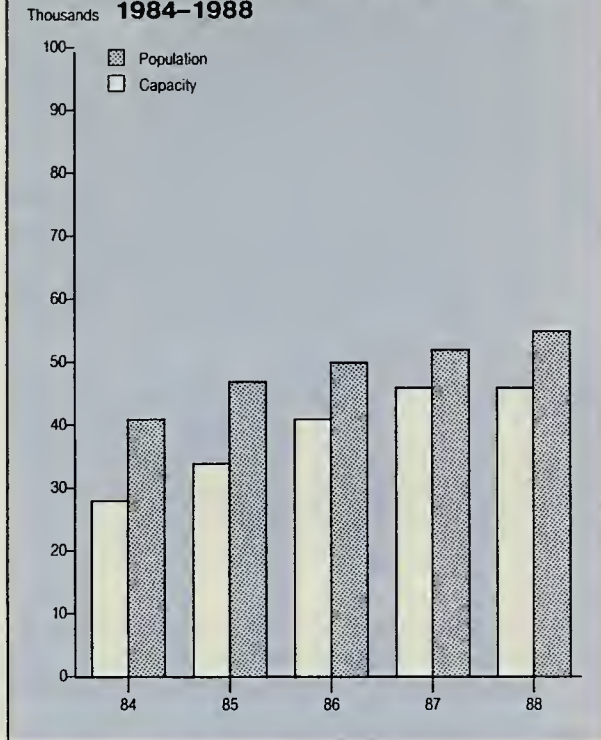
As the people of California have sought tougher anti-crime measures, California's prison system has faced unprecedented increases in number of commitments and length of stay. For example, between June 1981 and June 1983 the inmate population increased from 27,000 to 37,000 inmates

Figure 1
Youth and Adult Corrections
Proposed 1984-85 Expenditures
Amounts in Thousands
(All Funds)



Excludes Capital Outlay

**Figure 2
Department of Corrections
Inmate Population/Capacity Projection
1984-1988**



and is projected to reach 46,695 by June 1985. California's existing prisons are only designed to house 27,000 inmates. Thus, as Figure 2 indicates, California's prison facilities will exceed their design capacity by 52 percent in June 1984.

With the rising tide of commitments, the Department of Corrections has acquired trailers, tents, other emergency temporary structures, and has converted support spaces to temporary barracks in order to extend existing bed capacity. To meet these inmate pressures, prison facilities will require continued renovation and maintenance, and accelerated construction of new housing units.

However, acceleration of new prison construction under authority of prior Budget Acts and Chapter 958/83 (SB 422) has virtually exhausted the New Prison Construction Fund. Of the \$495 million Prison Bond Funds approved by voters in June 1982, \$472 million is appropriated, leaving a balance available as of September 30, 1983 of \$23 million.

The Governor's Budget proposes a \$94,650,000 General Fund appropriation to complete work on:

- The Southern Maximum Security Complex-Tehachapi (1,000 Level IV beds).
- California State Prison at Folsom (1,500 Level IV and 200 Level I beds).
- Inglewood (1,200 Level I/II beds).
- California Institution for Women, Frontera (50 Special Housing Unit beds).

This appropriation will also allow every project in the department's Master Plan to be completed through, at minimum, working drawings and land acquisition status.

The balance needed to complete construction at San Diego, Adelanto, Avenal, Riverside, Los Angeles and the Northern California Women's Facility totals \$514.3 million. Proposed funding for this balance which may include lease-purchase financing from the private sector, is being explored as authorized in Chapter 958/83. The Department of Corrections is preparing a feasibility report for the Legislature's review.

In addition, the Administration will support Special Legislation in the current year providing \$45.7 million (\$17.0 million from the New Prison Construction Fund and \$28.7 million General Fund) to maintain the accelerated construction schedule for new prison projects at CMF-Vacaville and working drawings for the Folsom Prison-Support Service Facility.

Concerning existing facilities, the Governor's Budget proposes \$18.8 million to maintain code-required levels of operation or meet new demands caused by increased inmate populations. Projects include fire and structural safety work, environmental health work, expanded utility systems, and various security improvements.

State Corrections

The Department of Corrections is responsible for providing safe and secure detention facilities for the control, care and treatment of convicted felons and civilly committed nonfelon narcotic addicts. The department carries out this responsibility through the operation of 12 correctional institutions, three reception centers and 28 camps.

To help meet the inmate population capacity crisis at these facilities, a total of \$716 million is proposed in the Governor's Budget which includes:

- \$53 million in new money and 938 personnel years to provide custody, security and inmate

support costs to handle the additional 5,535 growth in inmate population.

- \$6 million in new money and 100 personnel years to provide increased parole supervision and parole revocation hearing related workload.
- \$5.4 million in new money and 159 personnel years to provide staffing for the planning, recruitment, testing, background investigation and training of correctional staff necessary to comply with accelerated construction and staffing of new facilities as required by SB 422 (Chapter 938/33).

Pursuant to the goals established by Chapter 1/82 (AB 1403), the department is required to develop full employment programs for all inmates. Participation in these programs allows the inmate to earn work time credits for sentence reductions provided by Chapter 1234/82 (AB 2954).

The department has been able to provide meaningful work assignment for most of but, because of the significant increases in inmate population, not all inmates. Approximately 27,000 inmates are currently involved in various work and training assignments, which include prison industries, academic/vocational education, institutional support services, and conservation camp programs. About 4,000 additional inmates are eligible for but do not have work assignments.

The department proposes to:

- Develop a plan with specific costs and requirements necessary to allow for full employment of all inmates, including the 1984-85 inmate population growth.
- Develop additional inmate labor programs for various statewide maintenance projects for the Department of Transportation.

Youth Authority

The primary objectives of the Youth Authority are to protect society from criminal and delinquent behavior by young people and to provide training and treatment directed toward helping these youths become useful and productive citizens. The Governor's Budget provides \$251 million and 4,309.4 personnel years to accommodate ward population increases in ten institutions and six conservation camps.

The Governor's Budget includes:

- \$1,073,000 and 10.7 personnel years to accommodate a ward population level of 5,860

by June 30, 1985.

- \$60,000 and 1.5 personnel years for the Institution Industries Program to develop contracts with private sector and public agencies interested in establishing institution-based industry programs to provide employment opportunities for wards, and the sale of goods and services to offset ward related costs.
- \$107,000 and 2 personnel years for the Nelles Public Service Program to expand the ward day labor program to include a community service component to provide ward labor for city, county, non-profit and community public service projects.
- \$69.8 million and 52 personnel years to assist community correctional activities, including the County Justice System Subvention Program (AB 90), local juvenile detention facility standard setting and enforcement, delinquency prevention, and local justice training.

The budget for this function also includes: a \$1,256,000 augmentation for the County Justice System Subvention Program to allow counties to maintain existing delinquency treatment and prevention programs or fund new programs and a Youth Service Bureau funding increase of \$348,000 to fund four additional bureaus for a total of 16 statewide.

Local Law Enforcement

Local corrections, like our state prison system, face increasing jail overcrowding and the need for additional bed capacity, as well as training and resources to assure that personnel are better able to handle these increased pressures. The Governor's Budget proposes:

- \$100 million in continued assistance for the County Jail Capital Construction Program provided through a bond sale. This bond sale is the first stage in expending the \$280 million authorized under Proposition 2, passed in 1982, for the construction of county jail facilities. In addition to this bond sale, the Administration will support legislation to authorize the issuance of another \$300 million of general obligation bonds for the improvement and construction of county jail facilities.
- \$8.7 million for continued assistance to counties for training of local correctional and probation personnel.

Department of Justice

The Department of Justice, through the constitutional office of the Attorney General, is responsible for ensuring the uniform interpretation and enforcement of laws and for representing the State in civil and criminal proceedings. The Governor's Budget proposes increases of \$8.7 million in new spending and 125.7 new positions to implement programs, expand existing systems, and meet workload increases. Significant budget provisions include:

- \$1,847,000 (\$295,000 General Fund, \$1,552,000 special fund) for expansion of the California Automated Identification System (CAL-ID).

This system is one of the most modern and sophisticated criminal identification programs in operation in the United States. The system is an integrated plan which includes the automation of the name index file, a register of any person with a record of criminal activity in this State, and automation of the Fingerprint Identification System. CAL-ID will cost an estimated \$15.9 million over the next six years and will result in a reduction of 90 positions and savings of \$10 million over the same period of time, eventually paying for itself.

CAL-ID includes several subsystems, such as the Automated Latent Fingerprint system (ALPS). Begun as a pilot program in January 1980, ALPS now provides 38 counties with "cold search" capability. This procedure, used in cases for which there is no known suspect, involves matching a fingerprint taken at the scene of the crime against all prints in the system. The Governor's Budget provides funds to make this criminal identification service available statewide.

- \$500,000 General Fund and 11 positions to establish a new program in the Bureau of Narcotic Enforcement to seize those assets of convicted criminals which were derived from the illegal sale of controlled substances. This program, designed to help curb the illegal manufacture and sale of narcotics in California, was authorized by Chapter 948, Statutes of 1983, and eventually will be self-supporting from the assets deposited in the new Narcotic Assistance and Relinquishment by Criminal Offender Fund. In addition, \$685,000 General Fund and 10 positions are proposed to increase law enforcement efforts against clandestine

laboratories which manufacture illegal drugs.

- Funding for a two-year limited term project (6.1 positions and \$209,000 General Fund) to develop an audit program for monitoring felony arrest and disposition data submitted by local agencies. These records will provide timely and accurate criminal history records for use by state and local law enforcement agencies and by the court system in apprehending, charging, prosecuting and sentencing offenders.
- A total of 17 new attorneys and 5.4 paralegals to handle increased workload in the civil and criminal law programs. Additional funding and positions are also provided for forensic laboratory safety equipment, replacement of photo-electronic equipment, continuation of the marijuana record purge program, and staff for the charitable trust registry.

Criminal Justice System

A balanced criminal justice system includes not only the traditional focus of apprehending, prosecuting and incarcerating offenders, but also programs designed to prevent crime and provide relief for victims. The Governor's Budget provides significant increases in funding for assistance to victims of crime pursuant to legislation (AB 1485) which raised penalty surcharges.

The level of grant funding proposed through the budget for victim services, which include victim/witness centers, sexual assault counseling centers, and child sexual abuse counseling centers, is 70 percent (\$4.3 million) higher than allocations in the current year budget. A portion of the funds will be used to fund new projects in the high sexual assault crime areas of the State which are currently unserved or underserved, particularly those with high minority population concentration.

This legislation also establishes the Local Public Prosecutor/Public Defender Training Fund which will receive a \$495,000 allocation to provide a permanent, stable funding base for training programs for these local criminal justice officials. This training is made available throughout the State at little or no cost to local agencies to provide orientation for new prosecutors and defenders and to give specialized topical training for seasoned professionals.

In a separate legislative initiative, this Administration is proposing a California Major Narcotic Vendors Prosecution Law that will

concentrate prosecutorial resources on major vendors, manufacturers and cultivators of controlled substances. Modeled after the highly successful California Career Criminal Prosecution Law, this law will require District Attorneys to utilize vertical prosecution techniques, and it will preclude plea bargaining and require the prosecution to seek the toughest possible sentence.

Peace Officers

The peace officer's job is one of the most challenging and demanding of all occupations: not only does he have the responsibility of ensuring public safety, but he must do so within an environment of stringent procedural requirements designed to protect citizens' rights. To perform his job competently, the peace officer needs to be selected carefully and trained fully in the techniques and responsibilities of law enforcement.

The Commission on Peace Officer Standards and Training was created to provide local governments and other agencies that use peace officers with the selection standards and training courses needed to ensure the highest level of competence among the State's peace officers.

In 1984–85, the Governor's Budget proposes to increase subventions to local agencies for peace officer training by \$6 million which will provide 95 percent reimbursement of agency costs in filling in for officers who are taking training courses. In addition, the commission plans to develop reading and writing proficiency tests to improve the selection criteria for new peace officers and to assist in developing remedial programs for current peace officers. The commission also proposes to test the use of interactive video and other technological training techniques which are less staff-intensive than the traditional classroom setting.

California Highway Patrol

The California Highway Patrol (CHP) is responsible for assuring the safe, convenient, and efficient transportation of people and goods across the State's highway system. The primary objectives are to minimize deaths, injuries, and property losses due to traffic accidents; to minimize traffic delays; and to provide protection and assistance to the motoring public.

The total 1984–85 fiscal year budget for CHP is proposed at \$385,079,000 and 7,740.5 personnel years. This budget reflects a commitment to

provide the necessary resources for increased law enforcement in California. It includes an increase of 145.5 personnel years and \$11,939,000 in new money to provide additional traffic officers for the CHP. This will complete the final phase of Chapter 933, Statutes of 1981 (AB 202), to deploy 670 additional traffic officers on our highways.

These positions will be used to increase the level of service to the public by enabling the CHP to provide 24-hour coverage on *all* interstate routes, U.S. 101 and State Route 99; basic patrol coverage in all field commands, and to allocate coverage geographically on the basis of workload demand indicators.

A serious concern to all Californians is the drinking driver. Although some progress has been made in dealing effectively with the drinking driver, the problem continues at unacceptable levels. Alcohol consumption remains the leading cause of traffic fatalities in California. The cost to the people of this state in terms of deaths, injuries, and property damage continues to be too high.

In an effort to maintain the beneficial effect of recent legislative changes creating stricter penalties for drunk driving, the Governor's Budget proposes the expenditure of an additional \$1,000,000 for increased Driving Under the Influence (DUI) enforcement. These funds will provide over 43,000 additional overtime patrol hours to be used exclusively for "on the road" drinking driver enforcement. The goal of this project is to reduce accidents caused by the drinking driver. The CHP estimates that the additional overtime hours should result in approximately 4,000 additional DUI arrests.

Natural Disaster and Emergency Response

The Public Safety function also includes natural disaster response and assistance programs. Because California's geographic, climate, and population characteristics combine to make it susceptible to emergencies, the role of the Office of Emergency Services (OES) is especially critical for assuring public safety through coordination of financial assistance and staff and equipment resources from all levels of government.

A total of \$2.5 million and 17 new positions are proposed in the budget for OES to strengthen the State's response capacity. Major system improvements and expansions proposed for 1984–85 include:

- Catastrophic earthquake planning for Northern California (the Southern California plan is largely complete) and extension of the Earthquake Task Force within OES to assure a continued forum for direction and planning assistance from the private sector.
- Installation in Northern California of FIRESCOPE, the computerized firefighting system which is currently operational in Southern California. This system will make the most modern firefighting techniques available to citizens of the northern part of the State and at the same time will provide a back-up system for the southern project.
- Installation of the first phase of an 800 MHz emergency radio system for 12 state agencies which require separate channels for emergency operations. Under the Federal deadline for this project, the system must be installed and the channels loaded by 1986 or Federal authorization to use the channels will be revoked.

Economic Development

Strengthening California's business climate and, with it, the employment outlook for the people of this state is a key priority of this Administration. The Governor's Budget supports the economic development and new jobs strategy developed by the Administration to retain and attract private investment in California, to encourage new business location as well as business expansion, and to provide for a dynamic business partnership between the public and private sector.

Initiatives to spur economic progress are present throughout the Governor's Budget—from streamlining the regulatory environment to offering high technology education programs to provide a skilled workforce for the industries of the future. However, the Business, Transportation and Housing Agency bears the primary responsibility for economic development programs.

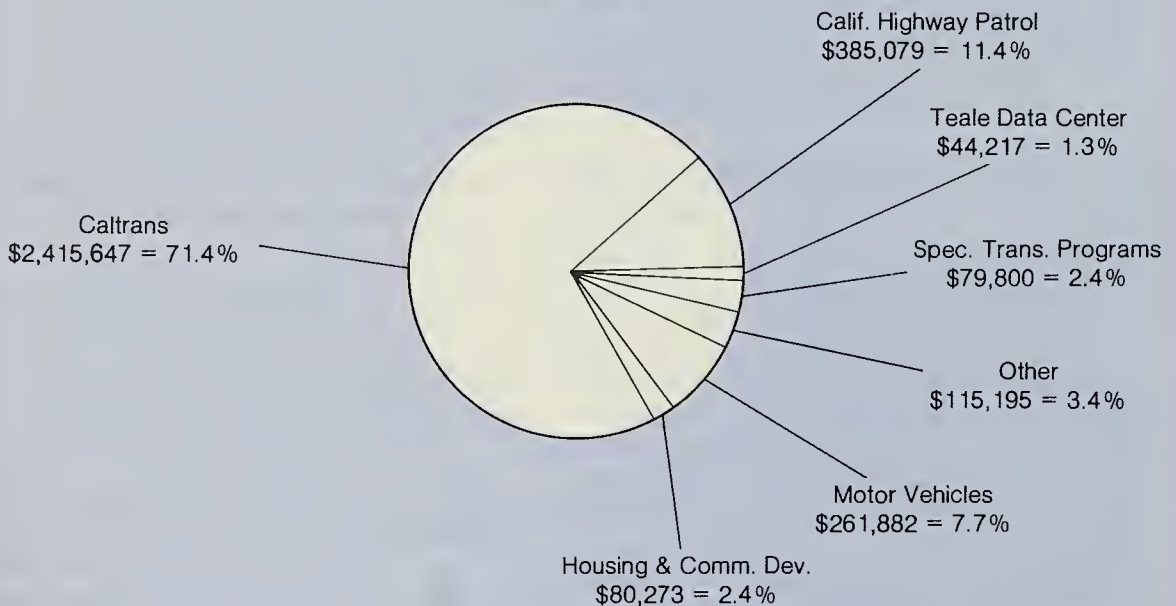
Expenditures in the Governor's Budget for programs under the direction of this agency total \$3,382.1 million—an increase of \$197.5 million or

6.6 percent, over the 1983–84 budget year. The allocation of these funds is shown in Figure 3.

Some of the important functions and departments which are within the purview of the Business, Transportation and Housing Agency include:



Figure 3
Business, Transportation and Housing
Proposed 1984–85 Expenditures
Amounts in Thousands
(All Funds)



Transportation

The State's transportation system is a vital link in the Administration's economic development goals. Without good transportation, business and commerce will suffer as the distribution of goods to markets becomes increasingly unreliable and the ability of employees to reach the workplace in reasonable commute times diminishes.

Recognizing the need for a sound surface transportation system to support growth in industry, tourism, and agriculture, the Governor's Budget calls for the largest highway construction program in state history.

The Department of Transportation (Caltrans) operates an internationally recognized transportation network, which includes more than 48,000 lane miles of highway as well as rail passenger services under contract with AMTRAK and Southern Pacific. The Governor's Budget provides approximately 15,200 personnel years and \$2.42 billion to Caltrans. Highlights of the 1984-85 budget are:

- \$1.02 billion in total transportation capital outlay. The economic recovery, coupled with last year's increase in State and Federal gas tax levies, resulted in significant increases in funds available for transportation capital projects in California. These increases are reflected in the adopted 1983-84 Five Year State Transportation Improvement Program, which authorizes \$6 billion in projects over the five year period.
- \$15 million for implementing the computerized "Roadway Design System". In use by eight states, this system will undergo pilot testing in California beginning in April 1984. Successful execution of the pilot project will result in statewide adoption of the system to be supported by Teale Data Center with over \$3 million in additional funds. Initial estimates of the savings created by this automation in terms of lowered staff requirements and earlier completion dates are set at almost \$90 million over the first five years.
- \$8.5 million and more than 50 additional personnel years are provided for highway maintenance improvements, including such safety-related items as signals, guardrails, and raised lanemarkers; for additional snow and ice control; and for equipment maintenance.
- A total increase of \$19.7 million in State and Federal funds and other reimbursements to continue major improvements to the Peninsula

Commuter Rail Service. These improvements include acquisition of new rolling stock, modernization and acquisition of stations, and addition of new parking. Also, planning studies are proposed in 1984-85 for additional stations, a new maintenance facility, and the possible extension of service to downtown San Francisco. Coupled with continued marketing efforts to build ridership, these improvements are expected to help reduce congestion along one of the State's busiest transportation corridors by attracting 6,100,000 passengers in 1984-85.

- \$3.2 million is provided for the "San Joaquins" Rail Service and \$277,000 in additional funds is proposed for increased marketing for the "San Joaquins" and "San Diegan" passenger trains. In 1983-84 "San Joaquins" ridership is projected to increase 11 percent over 1982-83 levels and to increase another 18 percent in 1984-85. Dependent on continued ridership increases sufficient to meet the statutorily mandated fare box recovery of 55 percent, Caltrans will request approval to continue this rail passenger service into 1984-85.

Business Development

The Department of Economic and Business Development serves as one of the key state organizations in implementing economic and job creation strategies in California.

The first step in the Governor's agenda to reshape California's business climate is to earmark \$16.7 million—\$8.7 million in new money along with 16.3 additional personnel years—for the Department of Economic and Business Development. Program expenditures include:

- \$1.8 million (General Fund) and 5.6 personnel years to fund a business advertising and marketing plan and to establish field offices in Los Angeles and San Jose, both high technology areas. With no major economic downturns, these proposed additional State resources could attract sufficient new business ventures to California to create 19,300 new jobs, generate more than \$285 million in payroll, and more than \$8.6 million in personal income tax revenue to the State.
- \$5.1 million (General Fund) and 2.9 personnel years to implement a State tourism advertising and promotion campaign, which, given a stable economy, could generate \$163 million

in travel expenditures, support 3,400 new jobs, and yield \$6.4 million in State tax revenue and \$2.3 in local tax revenue.

Tourism is one of California's leading industries, generating \$27 billion in annual travel-related expenditures. This in turn supports over 500,000 jobs and state and local taxes of approximately \$1 billion and \$500 million respectively.

■ A budget increase of \$249,000 and 3.8 personnel years for the Small Business Revitalization Program to enable California to participate in this Federal program established by President Reagan in November 1982. By increasing the State's technical assistance capabilities to small cities and businesses, California will be able to obtain its fair share of Federal Urban Development Action Grant monies, which will help municipalities attract and retain business.

Motor Vehicles

The Department of Motor Vehicles (DMV) is vigorously continuing its efforts to reduce costs, increase productivity, and improve the level of its services through automation. In DMV field offices located throughout the State, businesses and the general public obtain information and certification necessary for the ownership and operation of private and commercial vehicles. To meet the public's needs, the 1984-85 budget proposes expenditures of \$243 million and 7,265 personnel years.

Over the next 18 months, computers will be installed in 100 DMV field offices. Vehicle registration transactions will be automated first, followed by drivers license transactions. Full implementation will allow a dramatic reduction in staff and costs. During the next several years an estimated 930 positions will no longer be needed and costs will be reduced by \$17 million annually. At the same time the public will experience better service and reduced waiting times at DMV field offices.

Health and Welfare

The Health and Welfare programs presented in the Governor's Budget are directly concerned with the physical, mental, and social well-being of Californians. These programs account for some 31 percent of the budget. For 1984-85, Health and Welfare expenditures total approximately \$17.7 billion in combined State and federal funds. The allocation of these funds is shown in Figure 4 on the next page.

The major focus of Health and Welfare programs are the millions of Californians who need assistance in one or several of the program areas listed in the table below.

Except for the services provided through the State hospital system and the Employment Development Department, the primary contact for all the people served in the programs listed in the table below are local agencies. This emphasizes the need to provide as much discretion as possible to the local organizations to enable them to effectively and efficiently assist these people.

Mental Health

Mental health problems are treatable, but, if left untended, they can result in significant losses to society. This Administration believes that strong



efforts must be made at both the State and county levels to treat and return mental health clients to useful lives in their communities. The Governor's Budget establishes a Mental Health Initiative to help ensure that California's community-based mental health system provides the range of needed services and that the State hospital system is brought to full accreditation and certification.

Community-Based Mental Health Services.

The Governor's Budget proposes to transfer to local governments the control and responsibility for community-based mental health services. The intent of this transfer is to minimize State

Major Health and Welfare Program Caseloads

| Program | Average Caseload | | Change |
|---|----------------------|----------------------|---------------------|
| | 1983-84 | 1984-85 | |
| 1. California Children's Services (treatment of physical handicaps) | 350,920 ^a | 371,840 ^a | 20,920 ^a |
| 2. Medi-Cal (provision of medical services to eligible poor) | | | |
| a. Certified eligibles | 2,799,000 | 2,796,400 | -2,600 |
| b. Average monthly users | 1,252,850 | 1,261,910 | 9,060 |
| 3. AFDC (support for unemployed persons with minor children) | 1,660,170 | 1,661,130 | 960 |
| 4. SSI/SSP (support for aged, blind and disabled) | 648,112 | 645,113 | -2,999 |
| 5. State Hospitals | | | |
| a. Mental health clients..... | 4,947 ^b | 5,014 ^b | 67 ^b |
| b. Developmentally disabled clients..... | 7,270 ^b | 6,965 ^b | -305 ^b |
| 6. Community Developmentally Disabled Services | | | |
| a. Regional centers | 65,936 | 70,516 | 4,580 |
| b. Work activity program | 11,763 | 12,493 | 730 |
| 7. Vocational Rehabilitation..... | 53,000 | 54,000 | 1,000 |
| 8. Unemployment Services..... | 256,722 | 243,000 | -13,722 |
| 9. Meals for Elderly Citizens..... | 23,500 ^c | 23,500 ^c | 0 ^c |
| 10. In-Home Supportive Services | 101,204 | 107,756 | 6,552 |
| 11. Food stamps..... | 1,834,500 | 1,820,000 | -14,500 |
| 12. Alcohol Programs | 20,000 ^d | 20,000 ^d | 0 ^d |
| 13. Drug Programs..... | 6,700 ^d | 6,700 ^d | 0 ^d |
| 14. Community Mental Health | 450,000 | 450,000 | 0 |

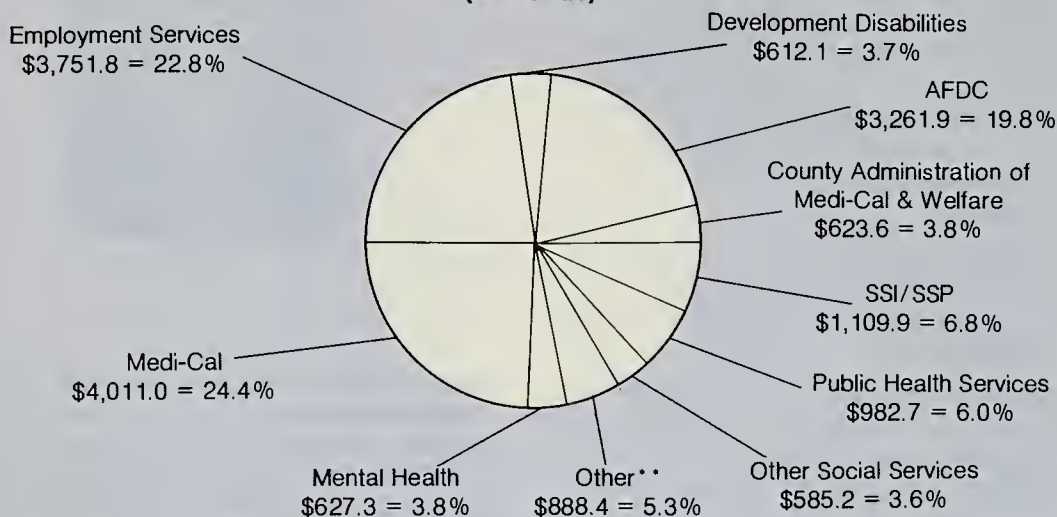
^a Reflects annualized estimate of CCS caseload based on the December Estimate of quarterly caseload.

^b Represents the year-end population upon which the budget is based.

^c Unduplicated participant count.

^d Number of client admissions reflect treatment services which receive at least some state-administered funds. There are others served by the counties with county funds only.

Figure 4
Health and Welfare
Proposed 1984-85 Expenditures*
Amounts in Millions
(All Funds)



* Includes State Support and Local Assistance.

** Reflects allocations for the Health and Welfare Agency, Department of Aging, Department of Alcohol and Drug Programs, Health and Welfare Consolidated Data Center, Office of Statewide Health Planning and Development, Department of Rehabilitation, Emergency Medical Services Authority, Governor's Advisory Committee on Child Care, State Council and Area Boards on Developmental Disabilities, State support and county administrative costs for the Departments of Social Services and Health Services and Health Facilities Commission.

regulatory and bureaucratic involvement and to maximize the counties' ability to apply these funds to direct treatment services.

This transfer will result in an annualized reduction of the State's administrative operation equal to \$3.3 million and 79 personnel years. The Governor's Budget channels these savings, as well as \$35 million in new funding to this revised local program. The \$35 million augmentation is intended to make up for lost purchasing power due to the inflation level for mental health treatment costs, which has substantially exceeded what has been available for cost-of-living adjustments over the past several years.

State Hospital System. Beginning in the 1984-85 Budget, this Administration is proposing the first phase of a multi-year program which will result in California's having the only fully accredited system of mental hospitals in the nation.

To achieve a level of treatment in line with national and state standards for state hospitals serving mentally ill patients and to accelerate their return to community living, the Governor's Mental Health Initiative proposes an augmentation of 198.5 net

authorized positions and approximately \$6 million. This augmentation represents the first increment of a three-year implementation of state hospital level-of-care staffing standards.

Also, the Mental Health Initiative proposes an augmentation of \$2.6 million and 72 net authorized positions to reduce the budgeted hospital salary savings level from 7.1 to 5.5 percent. This augmentation is intended to curtail the incidences of prolonged position vacancies that are often necessary to meet the high salary savings level that is currently budgeted for the mental hospitals.

In conjunction with the hospital staffing improvements, the Mental Health Initiative proposes \$21.7 million in capital outlay improvements for the State hospitals during 1984-85. This augmentation represents the first increment of a five-year capital outlay plan to bring the State hospitals into compliance with fire and life safety requirements and provide environmental and security enhancements for hospital patients. These improvements will better ensure the safety and well being of hospital patients and will increase the State hospitals' opportunities for increased Federal funding through certification and

accreditation. The hospitals affected are:

| | |
|-------------------|--------------|
| Atascadero | \$1,974,000 |
| Metropolitan..... | 11,147,000 |
| Patton | 3,135,000 |
| Camarillo | 1,227,000 |
| Napa | 4,197,000 |
| | <hr/> |
| | \$21,680,000 |

The principal projects to be funded by the Mental Health Initiative during 1984-85 are fire and life safety and environmental improvements at Metropolitan State Hospital's Chronic Treatment-West Complex Unit and environmental improvements for young acute psychiatric patients at Napa State Hospital. Proposed within these amounts is approximately \$1.2 million for resident furnishing for mental health patients.

Transfers to Local Government

This Administration is strongly committed to the position that government services are most effectively delivered if those who are actually providing the services have sufficient flexibility to meet the special needs of recipients in their individual communities. To accomplish this goal those at the State level must become less involved in the day-to-day process of providing services and focus their concerns on assuring that the overall goals of individual programs are met.

As part of this policy, the Administration will be supporting legislation, to be effective January 1, 1985, to transfer basic responsibility for various programs to local government. This transfer will allow local governments more flexibility in meeting their own community's needs and, thereby, increase the effectiveness of these programs. The savings generated by reducing the number of persons involved in these programs at the State level will be made available to local governments.

Specifically, the Governor's Budget proposes to:

- Establish a Public Health Enhancement Program (PHEP). This program is designed to enhance local government's ability to serve individual community public health needs through the transfer of the following five programs from the State to the counties: Dental Disease Prevention, Preventive Health to the Aged, Immunization Assistance, Child Health Disability and Prevention, and specific Maternal and Child Health local assistance programs.

The \$852,000 saved by the elimination of 83 positions in the department overseeing these programs is also proposed to be transferred

to local government. In addition the Administration will support, as part of this legislation, an augmentation of \$1.25 million to assist in this transfer and to provide local government with the ability to expand in areas of high need.

- Transfer Family Planning to Local Government. An augmentation of \$4.75 million to the level of funding contained in this budget will be included in the proposed legislation to assist in transferring Family Planning to local government and to provide local government with the ability to expand in areas of high need. In addition, the \$445,000 saved by the elimination of the 27 positions currently administering this program at the State level is proposed for inclusion in the local funds contained in the Governor's Budget.

- Transfer most Alcohol and Drug program activities to Local Government. The Governor's Budget proposes to consolidate the alcohol and drug programs, to reduce the State's administrative involvement, and to provide a greater opportunity for local governmental entities to meet their specific needs. Since through consolidation most State statutory and regulatory requirements will be either lessened substantially or eliminated entirely, both levels of government will be able to reduce administrative activities.

- At the State level, both the General Fund and Federal fund savings will be used to increase the amount of money made available to serve clients at the local level. To assist in this transfer and to provide local government with the ability to expand in areas of high need, an augmentation of \$5 million to the level of funding contained in this budget will be included in the proposed legislation.

Other Health and Welfare Provisions

In addition to major policy initiatives raising the level of mental health services and increasing county government autonomy over the administration of health and welfare services in their communities, the Governor's Budget includes the following:

- Continuing the present level of rates paid to medical practitioners and others who provide medical services as well as expanding controls on the utilization of specific medical procedures and services implemented in the

Medi-Cal reform legislation (Chapters 328 and 1594) of the 1982 legislative session.

- Noting that the special appropriation established for nonelective abortions is insufficient for full-year funding of the elective abortions policy mandated by a temporary restraining order issued in 1983–84 by the Court of Appeals. The 1984–85 budget assumes a nonelective abortion policy similar to that adopted by the Legislature in 1983–84. Continued provider payments in 1983–84 will depend on further court action.

- Estimating that accrued savings to the Medi-Cal program will total approximately \$235.4 million (\$117.7 General Fund) as a result of reimbursing hospitals on a negotiated contract basis. The 1982 Medi-Cal reform legislation (Chapters 328 and 1594) authorized the State to negotiate contracts with private sector providers of health care services for the delivery of hospital inpatient services to Medi-Cal beneficiaries.

- Implementing a new fiscal intermediary contract with private sector accounting institutions to process Medi-Cal claims for payment, beginning in 1984–85 and extending through 1988–89. The anticipated savings commensurate with the provisions of the new contract are estimated to be approximately \$41 million (\$11.3 million General Fund) over the life of the contract as compared to current contract costs.

- Supporting legislation to repeal the Special Circumstances program for SSI/SSP recipients for a General Fund savings of approximately \$3 million. The benefits paid under this program duplicate many which are available under other programs and are provided at a very high administrative cost.

- Adding State funds to enhance Federal funding for the development and installation of on-line Food Stamp issuance systems in Fresno, San Francisco, and Los Angeles Counties. On-line issuance is expected to reduce both administrative costs and the number of unauthorized coupon issuances.

- Allocating \$1 million to establish a prevention initiative to reduce the incidence of developmental disabilities in California. The Administration's goal is to reduce the occurrence of developmental disabilities by identifying environmental hazards and high

risk groups; providing educational and follow-up services; and developing community prevention services in accordance with long range prevention plans. The funding proposed in 1984–85 will enable regional centers to complete interagency planning, increase awareness and utilization of genetic prevention services, and initiate community prevention programs.

- Proposing \$1.4 million for replacement of irreparable equipment and purchase of equipment needed in State hospitals for the health and safety of residents who are developmentally disabled.

- Providing General Fund expenditure to meet the caseload increases in the In-Home Supportive Services and Crippled Children Services programs which were funded in 1983–84 by one-time Federal "Jobs Bill" money.

County Administration

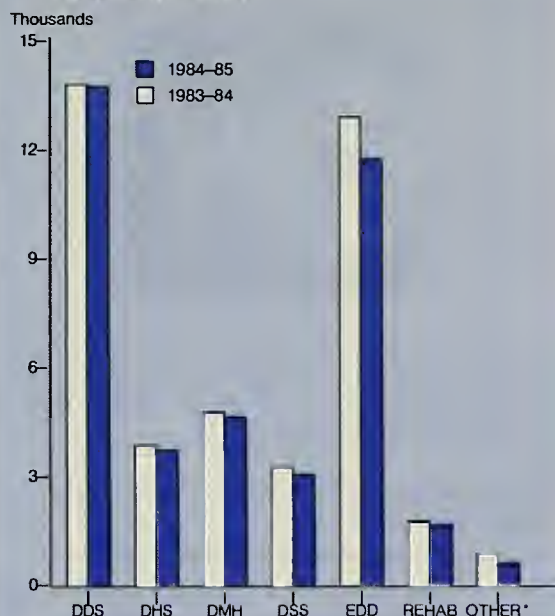
Recognizing local governments' prerogative to establish salary levels they believe sufficient to meet the needs of their individual communities, the budget proposes to augment county administration expenditures for AFDC and Medi-Cal eligibility determination. This \$17.7 million in new money is intended to restore State funding of local cost-of-living adjustments (COLAs) which had been granted by the counties over the past three years.

In the past some counties chose to understaff in order to fund salary levels above those which were supported by State funding. This resulted in some counties understaffing the number of eligibility workers and increasing the potential for higher error rates in these programs. General Fund costs for overpayments to ineligible recipients and possible Federal sanctions are significantly more costly than restoring unfunded county salary increases.

State Staffing

All departments in the Health and Welfare Agency have done a major review of their activities with the aim of streamlining and eliminating, where possible, unnecessary and duplicative activities. Figure 5 shows that, when combined with the fluctuations created by changing client workload, this review has succeeded in reducing total personnel years within the Agency by over 1,750 or —4.3 percent from 1983–84.

**Figure 5
Health and Welfare
Personnel Years**



*Reflects allocations for the Health and Welfare Agency, Department of Aging, Department of Alcohol and Drug Programs, Health and Welfare Consolidated Data Center, Office of Statewide Health Planning and Development, Emergency Medical Services Authority, Governor's Advisory Committee on Child Care, State Council and Area Boards on Developmental Disabilities, and Health Facilities Commission.

Inflation Adjustments

Recognizing the considerable lessening of inflation over the last year-and-a-half, the budget proposes a basic two percent inflation adjustment for almost all health and welfare programs. This would entail an approximate \$137 million increase in Health and Welfare programs in 1984-85. No additional funds are proposed for the Medically Indigent Adult Program as all indications are that the current level of funding is sufficient to meet the projected demand in 1984-85.

Included in this proposal are the AFDC and SSI/SSP programs. As can be seen in the table below, California has the highest SSI/SSP and AFDC financial aid payments standards in the 10 most populated states. This has contributed to California's having a greater share of the nationwide AFDC and SSI/SSP caseload than is California's percentage of the overall national population. The budget proposes to gradually bring California's levels nearer to that of other states by reducing annual increases for inflation.

Ten Most Populated States SSI/SSP and AFDC Payments as of July 1, 1983

| States ¹ | SSI/SSP Payment Standards | | | | AFDC Maximum Aid Payment Family of 3 |
|-----------------------------------|---------------------------|---------|-------------|----------|---|
| | Aged and Disabled | | Blind | | |
| | Individuals | Couples | Individuals | Couples | |
| California | 461.00 | 853.00 | 516.00 | 1,000.00 | 526.00 |
| New York ² | 365.00 | 532.00 | 365.00 | 532.00 | 507.00 |
| Texas ³ | 304.00 | 456.00 | 304.00 | 456.00 | 148.00 |
| Pennsylvania | 337.00 | 505.00 | 337.00 | 465.00 | 350.00 |
| Illinois ⁴ | 304.00 | 456.00 | 304.00 | 456.00 | 320.00 |
| Ohio ³ | 304.00 | 456.00 | 304.00 | 456.00 | 263.00 |
| Florida | 304.00 | 456.00 | 304.00 | 456.00 | 395.00 |
| Michigan ² | 329.00 | 493.00 | 329.00 | 493.00 | 231.00 |
| New Jersey | 331.00 | 478.00 | 331.00 | 478.00 | 360.00 |
| North Carolina ³ | 304.00 | 456.00 | 304.00 | 456.00 | 202.00 |

¹ In descending order by state population.

² SSI/SSP Grant levels vary regionally within the State.

³ These states do not supplement SSI.

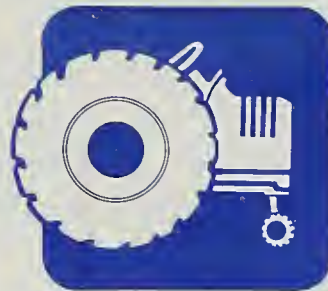
⁴ This state does not have a standard allowance for its SSP. Payments are based upon individual needs and circumstances. The average supplement to the federal payment shown here in July 1983 was \$66.85.

Agriculture

Exceeding \$14 billion in annual production, California's agricultural industry is the largest in the nation. The Department of Food and Agriculture is charged with protecting, promoting, and regulating this industry. The department's major areas of responsibility include:

Assuring an abundance of California produced food and fiber, developing policy and providing assistance in such areas as marketing and exporting, protecting public and worker health and safety, preventing or eradicating intrusions of harmful plant and animal pests and diseases, developing and enforcing weights and measures standards for all levels of commerce, registering and regulating agricultural chemicals, and inspecting foods and commodities for quality and safety.

The Governor's Budget proposes \$118,471,000 for the Department of Food and Agriculture, which is a 3.2 percent increase over 1983-84. This includes \$334,000 for the expansion of the Environmental

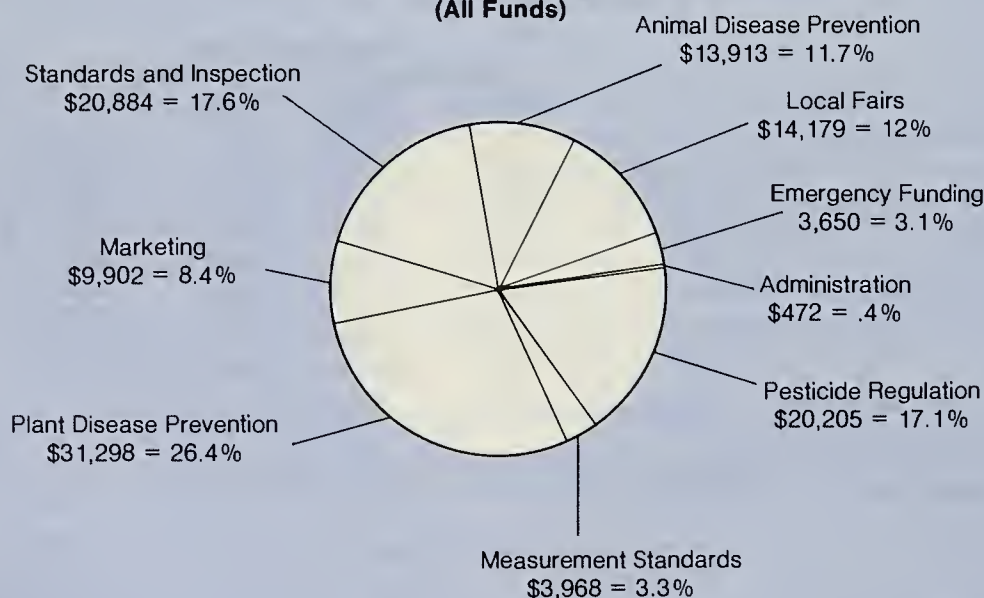


Hazards Assessment Program to perform on-site monitoring of pesticides. The allocation of these funds is shown in Figure 6.

Key expenditure areas in the 1984-85 Budget include:

- Continuing the orderly marketing of agricultural commodities produced in the State through development of a strong export marketing program, and assistance to the

**Figure 6
Agriculture
Proposed 1984-85 Expenditures
Amounts in Thousands
(All Funds)**



industry in establishing standards for commodities, packaging, and marketing.

- Continued eradication efforts directed at such pest infestations as Mediterranean fruit fly, cotton boll weevil, gypsy moth, Japanese beetle, Mexican fruit fly, oriental fruit fly, and apple maggot. The Department is also planning a major exclusion and detection program to help prevent the introduction of plant and animal pests and diseases resulting from the more than 600,000 anticipated visitors to the 1984 Olympics in Los Angeles.
- Research projects to determine pesticide resistance and residues on cotton; to identify effects of curly top virus disease on field crops and to investigate various other problems severely affecting agriculture today.
- A capital outlay program of \$4,537,000 which includes funding for the construction of two additional inspection stations.
- Continued funding for the University of California agricultural research program which is responsible for projects to improve food and fiber productivity, pest management, conservation and management of renewable natural resources, enhancement of the environment, and food product development and marketing. This program is supported by \$65 million in State funds, \$20 million from Federal sources, and \$8 million in special grants, endowments and gifts.

Environmental Quality

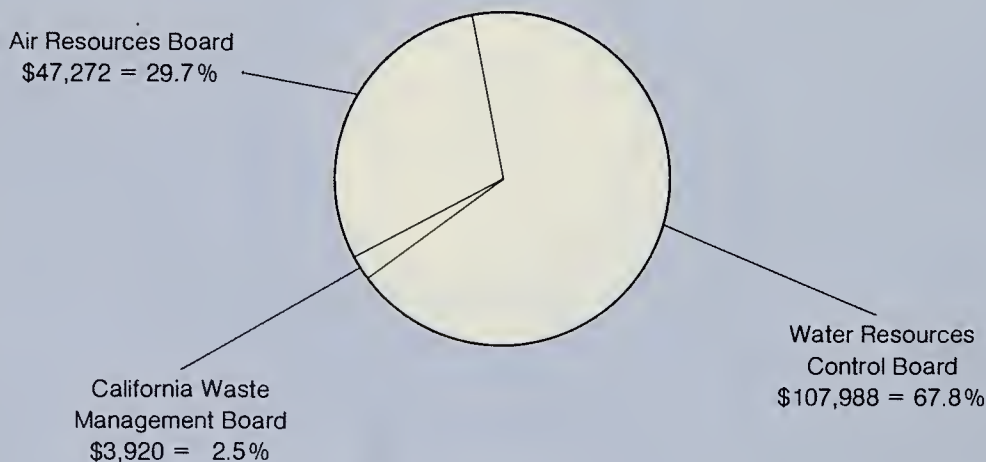
California's environmental quality programs are concerned with protecting air and water quality; overseeing the disposal of solid wastes; managing the clean-up, disposal and storage of toxic wastes; and monitoring development of the State's Outer Continental Shelf oil and gas resources. These programs are targeted at ensuring that the laws designed to safeguard the public health are carried out.

In this budget the Administration has proposed major steps to halt environmental degradation in California. The Governor's Budget has substantially increased funding for the Toxic Substances Control Program and for the Air Resources Board. This budget launches a five-year program for the permitting of every hazardous waste facility in the State. In addition the budget increases funding for campaigns to eliminate groundwater contamination from leaking underground tanks and for the Leviathan Mine acid leaks in the Sierra Nevada.



The Environmental Affairs Agency has the major responsibility for these programs. It oversees the Air Resources Board, the State Water Resources Control Board and the California Waste Management Board. The Governor's Budget allocations to these functions are shown in Figure 7.

Figure 7
Environmental Quality
Proposed 1984-85 Expenditures *
Amounts in Thousands
(All Funds)



* Does not include toxic waste management programs.

The funding provided for these three boards totals \$159.2 million and 1350.5 personnel years, a reduction of two percent from the 1983–84 budget. This reduction reflects the March 1984 termination of the Vehicle Inspection Program in the South Coast Air Shed which cost \$13.9 million. These environmental quality programs represent approximately 0.3 percent of the State budget.

In addition, the Governor's Budget provides \$58.1 million for the Toxic Substances Control Program, which is administered by the Health and Welfare Agency, but is discussed in this section of the Budget Summary.

Toxic Substances Control

One of the most serious problems facing California as an industrial society is the enormous quantity of hazardous wastes generated by chemical, petroleum, electronic and other industries. Over the past few years, short and long-term detrimental effects to the health of citizens from this hazardous waste have been documented.

To correct these problems and prevent future ones, the Administration has made toxic waste control a major priority. Therefore, the Governor's Budget augments the Toxic Substances Control Program by 67.5 positions and \$2,147,000 to increase permitting, surveillance and enforcement activities.

This augmentation will allow California to institute a five-year program in which, by June 30, 1988, all hazardous waste facilities will have been permitted. The Environmental Protection Agency has indicated that Federal laws will require states to permit all facilities within a seven or ten year-time frame. California, in setting a five-year deadline, will be accelerating those activities which directly enable the State to protect the public health and environment.

At the same time, enforcement of hazardous waste laws will be increased which will enable California to aggressively curtail illegal disposal of hazardous wastes.

It is important to note that the task of managing toxic materials requires the coordinated effort of many departments throughout State government. These various department's may generally be classified into two groups:

- Those which regulate the existence, storage and use of materials which may be considered toxic. Included in this group are: the Department of Health Services, the

Department of Food and Agriculture, the Department of Industrial Relations, the State Water Resources Control Board, the California Highway Patrol and the Air Resources Board.

- Those which do not perform regulatory activities, but assist in monitoring and cleaning-up toxic materials. Included in this group are: the Department of General Services, the Department of Fish and Game, the Department of Water Resources, the Department of Transportation and the Office of Emergency Services.

The Governor's Budget includes program expenditures across this broad spectrum of State agencies and departments to focus their attention and activity on the Administration's toxic waste management priority.

Air Quality

The Air Resources Board works closely with local air pollution control districts to curtail air pollution in California. The Board is responsible for the control of motor vehicle emissions statewide and coordinates state and local programs to control stationary sources of emissions.

The Governor's Budget increases Air Resources Board funding by \$6.1 million or 15 percent over last year—exclusive of the Motor Vehicle Inspection Program which terminates in March 1984. The Governor's Budget expands the following programs for identification and regulation of air quality problems:

- An additional \$2 million and 5.7 personnel years are proposed to double the Acid Rain Program implemented as a result of legislation (Chapter 1473) passed in 1982. This legislation provided for a five-year program to design and implement a comprehensive research and monitoring program to study acid deposition in California.
- An additional \$889,000 and 5.7 personnel years are proposed to increase the Board's efforts to determine the health effects of toxic air contaminants. These additional resources will permit the Board to investigate the concentrations and potential effects of 50 identified contaminants.
- An additional \$900,000 and 2.4 personnel years are proposed for increasing the \$5 million allotted in 1983–84 for research efforts. These additional funds will allow the Board to expand its research efforts in such areas as

blood lead levels in newborn infants, ozone and sulphur dioxide on rice yield, characterization of carcinogens resulting from incineration of municipal refuse, monitoring and survey of sources of benzene emissions, durability of electronic emission control modules for late model year automobiles, aerosol characterization experiment in Southern California, and effects of continuous dynamic fumigation on air quality.

Water Quality

The State Water Resources Control Board and the nine Regional Water Quality Control Boards work to preserve and enhance the quality of California's water resources, ensure that adequate supplies are available, and promote the effective allocation and use of these water resources.

The Governor's Budget proposes to increase funding for the Board's operation by \$2.5 million or 2.4 percent over the 1983-84 level. With this increased funding, the Board will be able to respond to the Administration's priority on rectifying situations where toxic substances threaten the water quality of the state by continuing the following two major pollution control programs:

- Elimination of the threat of ground water supply contamination from leaking underground tanks. About one-half of the State's drinking water comes from wells which are less than 1000 feet deep. In March, 1982, industries in the Silicon Valley discovered that some of their underground storage tanks were leaking and contaminating underground drinking water supplies. These industries have looked to the State Water Resources Control Board for guidance in dealing with leaking underground tanks and have worked closely with the Board to develop a program for detecting and mitigating such leaks.

Recent legislation, Chapters 1045 and 1046, Statutes of 1983, defined and expanded the Board's role concerning the identification and regulation of underground tanks. During the start-up period for the programs established pursuant to Chapters 1045 and 1046, an interim program designed to resolve the immediate threat to ground water by leaking underground tanks is proposed. A total of \$2.5 million and 52.2 additional personnel years are proposed for these programs in 1984-85.

- Clean up of acid leaks from the Leviathan Mine. Another major clean-up program involves the Leviathan mine in the Sierra Nevadas which is emitting acid run-off into Leviathan Creek. This open-pit sulphur mine, was abandoned by its owners in the early sixties. Since then acid run-off into Leviathan Creek has killed aquatic and plant life for approximately 13 miles along the creek.

The budget proposes \$1.5 million of State funds to be added to private funds which have also been made available for this project. These moneys are to be used to fund the second-year effort of a three-year plan in which industry and government are working together to correct the situation. The three-year plan will cost an estimated \$5.2 million of which \$2.9 million will be funded by the State and \$2.3 million will be from private sources.

Natural Resources

California's natural resource base is uniquely rich and diverse. It is the responsibility of the Resources Agency to protect this natural resource heritage for the people of California through a wide range of programs to ensure the preservation, sound management, and wise use of the State's water, fish, wildlife, forest, mineral and recreational resources.

The Governor's Budget provides funds for a number of key resource management activities. It responds to the pressing need for flood control projects in the wake of the high precipitation levels of recent years. Funding is also provided for coastal protection and restoration activities and for community water protection and development projects.

Under the Governor's Budget, total program expenditures for State operations and local assistance of \$676,273,000 are provided, as shown below. This represents a 13.2 percent reduction over 1983-84—a decrease largely due to smaller bond debt service costs for the State Water Project, completion of several energy development programs, and a reduction in local assistance grants in the Department of Parks and Recreation.

Resources Proposed 1984-85 Expenditures In Thousands (All Funds)

| <i>Entity</i> | <i>Total State Operations and Local Assistance</i> | <i>General Fund</i> |
|--|--|-------------------------|
| Agency Secretary | \$1,488 | \$1,098 |
| Special Resources | 1,218 | 848 |
| Conservation Corps | 37,219 | 20,412 |
| Energy Commission | 27,854 | — |
| Colorado River Board | 650 | 211 |
| Conservation | 15,493 | 10,602 |
| Forestry | 188,864 | 139,703 |
| State Lands | 12,058 | 11,225 |
| Seismic Safety Commission | 403 | 403 |
| Fish and Game | 80,253 | 5,894 |
| Wildlife Conservation Board | 485 | — |
| Boating and Waterways | 25,225 | 3,111 |
| Coastal Commission | 6,861 | 6,506 |
| Coastal Conservancy | 8,617 | — |
| Parks and Recreation | 108,192 | 62,711 |
| Santa Monica Mountains Conservancy | 530 | 319 |
| S.F. Bay Conservation and Development Commission | 1,242 | 1,242 |
| Water Resources | 159,621 | 35,398 |
| Total | \$676,273 | \$299,683 |



Forestry

The Department of Forestry is responsible for the conservation and development of California's forest, watershed and range lands. The department maintains a highly professional and integrated urban and rural fire fighting organization that is designed to meet the high levels of fire hazard that exist within the State. In addition to fire protection, the department is responsible for resource management and regulation of timber harvest practices.

Dutch Elm Disease Program. Dutch Elm Disease is a fungus that is carried by beetles and, if left unattended, can completely destroy the population of California's five to six million elm trees within the next twenty years. The disease containment program was initiated in 1975 and is in effect in seven Bay Area counties. For 1984-85, \$834,000 is proposed to expand the program into San Francisco and the remaining portions of three other Bay Area counties where the disease has been discovered. In addition, the department will contract with the California Conservation Corps to perform the survey, detection, sampling and removal work.

Automated Information System.

The Department of Forestry responds to over 90,000 emergency incidents annually. This creates a monumental paper logjam. For 1984-85, \$598,000 is proposed to implement an automated data gathering and information system. These funds will be used to purchase necessary computer equipment. Not only will this system greatly improve operational efficiency and facilitate the recovery of reimbursable costs, but will also allow the department to redirect substantial staff resources to emergency response activities.

Fire-Fighting Airtanker. In 1983–84, the department will modify one aircraft at a cost of \$139,000 for use in fire protection and resource management programs. In 1984–85, the Budget provides \$274,000 for modifying two additional aircraft. This will enhance the department's fire fighting capabilities.

Parks and Recreation

The Department of Parks and Recreation is responsible for acquiring, preserving, developing, and managing the natural, cultural, and recreational resources in the State Park System. This system consists of 266 individual units, including 34 units administered by local and regional park agencies. These park units contain approximately 1.2 million acres, with over 240 miles of ocean and bay frontage and 675 miles of lake, reservoir and river frontage. Nearly 64 million visitor-days are expected in 1984–85.

The department's \$102 million budget for 1984–85 represents a \$46 million decrease from 1983–84. This decline is due primarily to a reduction in local assistance grants funded from Federal Funds, 1980 Bond Funds, and Energy and Resource Funds.

The most significant proposed change in 1984–85 is a \$4.4 million fund shift from the State Park and Recreation Fund to the General Fund to make up for an anticipated revenue shortfall. This change will allow full staffing of maintenance and visitor service functions.

The department's 1984–85 capital outlay program is \$43.2 million and contains \$22.8 million for the development of various state park units, \$11 million for acquisition, \$5.7 million for the development of off-highway vehicle areas, and \$3.7 million for planning.

Fish and Game

Programs for the preservation and enhancement of fish, wildlife and natural habitat are carried out by the Department of Fish and Game. The Governor's Budget provides an increase of \$6,254,000 or 8.5 percent over the department's 1983–84 budget. Of this amount, \$4.2 million is attributable to the following key programs:

- \$2,014,000 for continued restoration and enhancement of the Bolsa Chica and Upper Newport Bay coastal wetlands. These wetlands are an integral part of the Pacific flyway providing valuable food and shelter to the millions of migrating waterfowl which use

this route. The restoration of these wetlands is essential to ensure the perpetuation of the fish and wildlife species dependent upon these ecologically important habitats.

- \$1,000,000 to continue fish and wildlife habitat improvement on National Forest and Bureau of Land Management lands in California in order to maintain healthy and prosperous populations of fish, wildlife and plants.
- \$745,000 to continue a salmon and steelhead restoration program aimed at increasing the State's depleted salmon and steelhead resources.
- \$447,000 to intensify existing efforts to rebuild the State's declining striped bass population.

Water Resources

The role of the Department of Water Resources is to protect, develop, and manage California's water. The department has a major responsibility for supplying suitable water for household, agricultural, industrial, recreational and power generation uses as well as for fish and wildlife support. The department also has major responsibilities for flood management and dam safety.

The Governor's Budget assigns approximately 72 percent of the department's state operations and local assistance funding to State Water Project activities. This water project is one of the most massive flood control and water management systems in the world. It collects, stores, and transports water from Northern California to Central and Southern California for agricultural and domestic use.

The Governor's Budget has been reduced by \$50 million compared to 1983–84, due primarily to the anticipated commitment of all available Safe Drinking Water Project loan and grant funds during 1983–84.

Major proposals for 1984–85 include legislation, to be introduced in early 1984, to use \$22.4 million of the existing \$25 million tidelands oil allocation for a local water protection and development program. This program will include \$10 million to maintain the Sacramento-San Joaquin Delta levees.

A \$9.9 million loan program will also be proposed to alleviate ground water overdraft problems which threaten water supplies and agricultural production. Other elements of the program include \$2 million for local planning assistance, and \$500,000 for acquisition of riparian vegetation essential to flood control.

The Governor's Budget also proposes using \$2.6 million in tidelands oil monies to continue operation of the Los Banos demonstration desalting facility.

In 1984–85, \$14,798,000 is provided from the General Fund for floodcontrol projects designed to offset the effects of two consecutive years of record water runoff. Projects include \$830,000 to restore the flood carrying capacity of the Sacramento River, and \$500,000 to repair a facility which controls water flowing into the Butte Basin and Sutter Bypass. A total of \$168,000 is proposed to improve the department's ability to forecast flood emergencies. The remaining \$13,200,000 provides for continuation of the State's flood control subventions program.

Boating and Waterways

The Department of Boating and Waterways' objectives are to develop and improve boating facilities throughout the State, to promote boating safety, to license yacht and ship brokers and salespersons, to develop shoreline protection measures, and to conduct a beach erosion control program in cooperation with Federal and local agencies.

The Governor's Budget proposes \$25,225,000 for State operations and local assistance. Of this amount, \$2,885,000 is provided from the General Fund for two beach erosion control projects:

- The Imperial Beach, San Diego County project involves a combination of shoreline protection measures necessary to preserve the beach, which has receded more than 200 feet in the past four decades, as well as to preserve nearby homes, businesses and roadways. State funding of \$1,355,000 represents less than a quarter of the project's total cost of \$6,300,000, with the remaining funds coming from Federal (\$3,590,000) and local (\$1,355,000) agencies.
- The Pacifica Shore project in San Mateo County will make a recreation beach and fishing pier accessible to the public, as well as to emergency vehicles and other city services, during high wave conditions. The project will also protect roadways and other public utilities from further wave damage. State funding of \$1,530,000 will be matched by \$510,000 in local funds.

Other major programs included in the Governor's Budget are \$11,350,000 for development of small

craft harbors, \$3,933,000 for development of boat launching facilities, and \$150,000 to control the water hyacinth, which threatens to clog marinas and navigational channels in the San Joaquin Delta area. These additional programs will be funded from the Harbors and Watercraft Revolving Fund.

State Coastal Conservancy

The State Coastal Conservancy was established within the Resources Agency by Chapter 1441, Statutes of 1976, to develop and implement programs to protect, restore and enhance coastal resources in keeping with the policies established in the California Coastal Act of 1976. Specifically, the policies of the Coastal Act provide for: 1) public access to the coast; 2) preservation of the marine environment; 3) enhancement of coastal land resources; and 4) a balanced coastal development program.

The Governor's Budget proposes a total expenditure of \$8,617,000. This amount reflects an increase of \$479,000 or 5.9 percent over the Conservancy's 1983–84 budget. Of this amount, \$352,000 is proposed as a loan from the State Coastal Conservancy Fund to finance start-up operations associated with the implementation and administration of a new urban waterfront restoration program mandated by Chapter 1264, Statutes of 1983.

This legislation created the California Urban Waterfront Area Restoration Financing Authority, with authorization to issue up to \$650 million in tax exempt revenue bonds and to undertake urban waterfront restoration projects upon recommendation by the Conservancy. These projects would not only enhance the State's urban waterfront resources but would provide a means of establishing or expanding businesses, creating more employment opportunities, as well as providing new sources of revenues to enhance the economic base of the involved communities.

Judicial*

Article VI of the Constitution creates the Supreme Court and the Courts of Appeal to exercise the judicial power of the State at the appellate level. In addition, the Article establishes the Judicial Council to oversee and administer the State's judicial system.

The Judicial Branch is proposing a 1984-85 funding level of \$51.8 million, a 16.8 percent increase over their 1983-84 budget.



- The 1983-84 budget reduced public defender services available to appellate courts throughout the state. Simultaneously, the Administration reserved \$1.5 million for augmentation of the Judiciary's budget for court-appointed counsel to ensure continued legal representation as constitutionally required. To assure adequate counsel for the anticipated 6,000 cases, pilot projects were initiated through contracts with non-profit agencies to provide representation, recruit private counsel, and oversee the quality of representation.
- The 1984-85 budget provides an increase of \$2.8 million to extend the court-appointed counsel pilot projects statewide and to compensate counsel.
- The budget also includes \$320,000 for Coordination Proceedings, in which judges are assigned to provide effective judicial management of cases which have common issues pending in different trial courts. Additionally, modification of an existing local assistance budget item (0420-101-001) is proposed to permit the use of any savings accruing from superior court judgeship vacancies to help meet future cost increases in Coordination Proceedings.
- The 1984-85 budget includes operating expense increases of \$1.2 million for facilities and \$183,000 for equipment repair and maintenance.
- To meet workload in the Courts of Appeal, the budget proposes \$475,000 for eight central staff attorneys, \$373,000 for seven secretaries, \$225,000 for clerks' office staffing, \$200,000 for five administrative assistants, \$74,000 for two

librarian positions, and \$114,000 to expand the Expedited Appeal Program which substitutes oral arguments for written briefs whenever feasible. Three positions and \$430,000 are proposed for administrative support in the Judicial Council.

* The proposals included in this section are those submitted by the Judicial Branch and do not necessarily reflect the Governor's position on these issues.

General Government

The General Government area of the Budget includes departments which provide a wide range of programs and services to various segments of the public as well as other State agencies. Services and programs include protection of consumer rights; maintenance of high standards of practice in the professions licensed by the State; promoting the welfare and safety of the workforce in California; promoting artistic awareness and expression in California; managing the merit and non-merit aspects of the State's personnel system; administering retirement systems for teachers and public employees; and providing centralized supportive services to other State departments.

Highlights of the Governor's Budget provisions for the departments providing these and other services are discussed below.

Administrative Law

While State government has a critically important responsibility to serve the public interest, it is equally important that the State not infringe unnecessarily on the rights and privacy of citizens, the business community, and local governments.

The Office of Administrative Law was created to monitor and reduce the growth of administrative regulations and to assure the Governor, the Legislature and the public that the State's laws are fairly interpreted by State agencies with a minimum of regulatory red tape. Above all, the office is intended to be the private sector and general public's window on government by providing a forum for their involvement in the formulation of regulations aimed at them.

The Governor's Budget provides the office with an additional \$593,000 to establish a legal unit charged with determining if informal agency rules and orders are actually regulations. The new funding will also be used to provide greater public outreach and information, to reformat and upgrade State publications and reference materials used by government and the public to keep track of regulatory actions and rulings, and to recognize workload increases in the office resulting primarily from new legislative requirements for reviewing regulatory impacts.

State and Consumer Services

This Agency oversees the operations of: the California Museum of Science and Industry, the



Department of Consumer Affairs, the Department of Fair Employment and Housing, the Fair Employment and Housing Commission, the Office of the State Fire Marshal, the Franchise Tax Board, the Department of General Services, the State Personnel Board, the Public Employees' Retirement System, the State Teacher's Retirement System, and the Department of Veterans' Affairs.

The Governor's Budget proposes a combined expenditure of \$1,530,219,000 for all organizations within the agency. This represents a 4.4 percent increase over 1983-84. Figure 8 presents the proposed expenditure totals for many of these departments.

The Governor's Budget highlights for the State and Consumer Services Agency include:

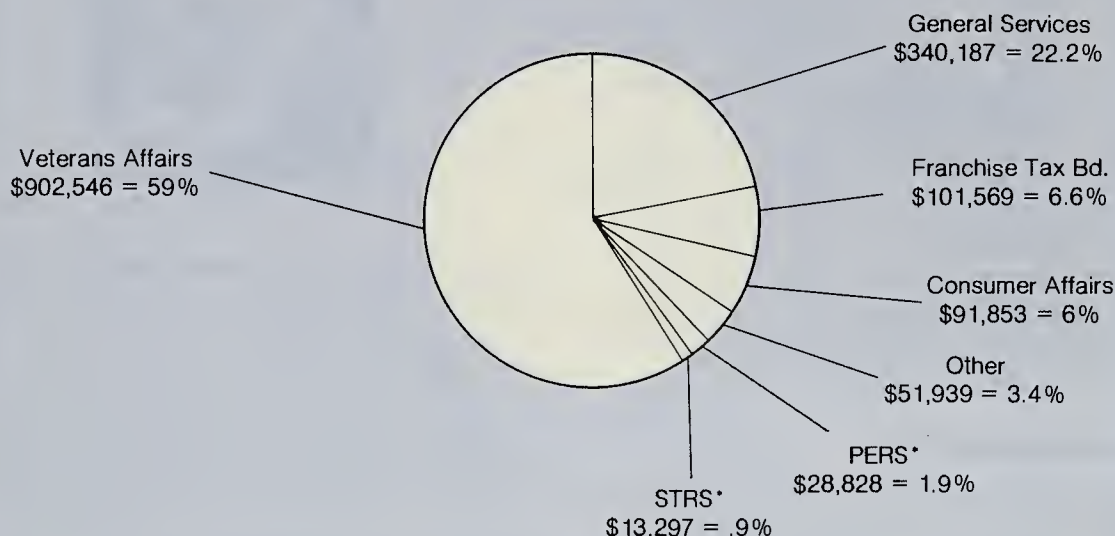
Consumer Affairs

The Department of Consumer Affairs is responsible for protecting and representing consumer rights and interests and for ensuring high standards of practice in the professions licensed through this department by the State of California.

The Governor's Budget provides \$91,853,000 to the department. This represents a 10.2 percent increase over 1983-84. The funding augmentation is intended to strengthen the department's programs in licensing and enforcement activities, to assist consumers and consumer groups in handling complaints, to aid consumer co-op development, and to assist senior citizen groups in maintaining and expanding senior citizen discount programs.

The Governor's Budget also proposes full year funding for the biennial vehicle inspection program scheduled to begin in April of 1984. The budget for the Bureau of Automotive Repair has been

Figure 8
State and Consumer Services
Proposed 1984-85 Expenditures*
Amounts in Thousands
(All Funds)



* Includes State Support Expenditures only.

augmented by \$6.3 million for the program, which is expected to reduce vehicle-caused pollution by as much as 25 percent by 1987.

General Services

The Department of General Services is responsible for providing centralized support services to other State departments and for increasing effectiveness and economy in the administration of State government. Major activities of the department in the 1984-85 budget year are summarized below:

- Deregulation and divestiture of the Bell Telephone system will significantly impact the workload of California State government. State agencies will no longer be able to rely on the local utility to provide all telephone equipment and related services such as training, consultative services, and total maintenance as in the past. The local utility will furnish only dial tone after January 1, 1984.

The Administration is approaching this situation as an opportunity to develop a more cost effective and efficient communications system for State government. The following actions have already been taken:

(1) A Request For Information (RFI) was issued on October 22, 1983, to over 150 vendors of telecommunications goods and services.

(2) Interagency "review" and "design" teams were directed to develop a telecommunications program, using information from the RFI responses, for California State Government and its political subdivisions by March 31, 1984.

(3) A fund of \$18.2 million has been provided in the Governor's Budget to begin development of a backbone telecommunications network, to carry voice, data, and video communications traffic, in digital format.

- The Department's 1984-85 capital outlay program proposes total expenditures of \$22.4 million, including approximately \$2.8 million to modify State high-rise buildings to conform to fire and life safety standards; \$14.4 million to construct new office buildings; and \$3.9 million for continuation of the PCB disposal program.

Veterans' Affairs

The Department of Veterans' Affairs has a three-fold objective: (1) assisting in securing State and Federal benefit entitlements for veterans and their dependents; (2) administering a low interest farm and home loan program which has successfully provided over 359,000 long-term housing and farm loans for California veterans; and (3) operating the Veterans' Home of California, one of the largest geriatric facilities in the country, which provides residential and hospital facilities for approximately 1,400 disabled California veterans.

Governor's Budget highlights include:

- Providing an additional 5,000 housing loans to veterans with the \$350 million bond sale proceeds anticipated for 1984–85.
- A \$4.3 million capital outlay program for the Veterans' Home to continue progress in relieving fire and life safety deficiencies, as well as meeting licensing and accreditation requirements.

Public Employees' Retirement System

The Public Employees' Retirement System administers retirement, health benefits and social security coverage for State employees and employees of contracting local government entities.

The Budget Act of 1983 provided \$500,000 to fund an independent management study of the Public Employees' Retirement System. The preliminary results of this study will be available in mid-February 1984. Those findings will be used to structure and staff an organization that will provide a responsible level of service at the lowest possible cost to members, employers, retirees and beneficiaries.

State Fire Marshal

The State Fire Marshal is responsible for protecting life and property against fire. This goal is met through the development and enforcement of fire safety standards for educational, institutional, public assembly, and high rise facilities. Plan reviews and on-site inspection are conducted by the department. Standards are developed and enforced regarding portable fire extinguishers, explosives, fireworks, fabrics, decorative materials, and wearing apparel.

The Governor's Budget proposes:

- An additional 9.4 personnel years and \$427,000 to increase the number of inspections performed in facilities such as state-owned and leased buildings, hotels, motels, and other buildings covered by Titles 19 and 24 of the Administrative Code.
- Fully funding inspection of pipelines carrying hazardous liquid materials—a program which was begun in 1983–84 and will be fully funded in 1984–85. Full staffing of 11.4 personnel years and \$588,000 have been provided in 1984–85.

Museum of Science and Industry

The Museum of Science and Industry showcases California's industrial capabilities and accomplishments through a series of exhibits and programs. Approximately three million visitor days are expected in 1984–85. Budget provisions include:

- The opening of the Museum of Aerospace Science and the California Museum of Afro-American History and Culture in July of 1984 which will necessitate the addition of staff to develop and maintain these new exhibits. A total of 22.5 personnel years and \$495,000 have been added to the 1984–85 budget to meet this workload.
- The expanded facilities will generate more visitors to the museum and the entire exposition park, requiring security improvements to provide greater protection to the public and the facilities. Funding is being provided to install television cameras and alarm devices to supplement security staff. A contract for State Police protection for outside security for the entire park is being proposed at a cost of \$972,000.

California Arts Council

The California Arts Council, established by Chapter 1192, Statutes of 1975, is responsible for promoting artistic awareness and expression in California. The Council makes grants, usually on a matching basis, to arts organizations promoting community-based cultural activities in rural and metropolitan areas.

The Governor's Budget proposes expenditures of \$9,594,000. Included in this amount is an increase in grants of \$780,000. This augmentation replaced lost federal funding and is designed to increase the number of awards and the amounts granted to

the Artists in Residence, Artistic and Administrative Development, Support to Prominent Organizations, Arts in Public Buildings, and State-Local Partnership programs. In addition, the budget provides increased support service funding of \$157,000 and one position to administer these grants and provide services to grantees and applicants.

Industrial Relations

The Department of Industrial Relations' role in the Administration is to serve as government's balance wheel in addressing and serving the interests of labor—both organized and unorganized, management and the public. As such the Department acts to promote healthy economic development and job creation, to encourage the full utilization of California's human resources, to develop and implement a program of regulatory simplification, to enforce the Labor Code, and to develop a range of enforcement strategies to protect worker health and safety.

The Governor's Budget provides an expenditure level of \$110.0 million, an increase of \$5.8 million above the 1983–84 base level. The budget proposes:

- To increase the efficiency and productivity of the Department without substantial increases in personnel. One way of accomplishing this is a proposed expenditure of \$150,000 for automated equipment in the Divisions of Industrial Accidents and Labor Standards Enforcement.
- To provide funding for legislation affecting the department, including \$67,000 for the Labor Commissioner to maintain separate offices for field enforcement activities as required by Chapter 323, Statutes of 1983, and \$222,000 and five positions for enforcing the increased penalties for Labor Code violations set forth in Chapter 1096, Statutes of 1983.

Local Government

Local government, being closer to and more responsive to the people, should be restored to at least some measure of the fiscal stability it enjoyed prior to Proposition 13. As a first step this Administration created the New Partnership Task Force charged with reviewing the current relationship and making recommendations leading to increased local fiscal stability.

The Legislative action on the 1983–84 Budget is an example of the uncertainty which has the potential to create havoc with local government. The Governor's Budget had proposed suspension of the AB 8 deflator (the mechanism by which local subventions are reduced if General Fund revenues do not grow at a given rate) and a reduction in subventions to local government. A final decision was not made by the Legislature on these budget proposals until close to the middle of September. This was more than two months after the start of the fiscal year. Local governments were forced to establish contingent budgets based on various options facing the Legislature.

The Governor's New Partnership Task Force made a series of proposals in its Interim Report intended to reduce the problems created by the lack of fiscal certainty. These recommendations were intended to remove local government's basic revenue structure from annual statutory adjustment.

The Administration has reviewed these recommendations along with other considerations and is proposing the following:

Adjustments to AB 8

AB 8 was passed in 1979 to provide a long-term realignment of fiscal responsibilities required because of the passage of Proposition 13. The Act contained provisions linking State and local government financing. This may have been necessary at the time because there were questions about whether the Act would work. Five years have passed and it is time to remove that linkage.

This Administration will support legislation to make the following changes:

- Repeal the AB 8 Deflator.
- Repeal all statutory provisions for determining "bail out" (the current value of the AB 8 property tax shift and the State assumption of certain health and welfare programs).



These adjustments will eliminate statutory linkage of the financing of State and local government.

Long Term Fiscal Stability

In order to guarantee that local governments will receive historically local taxes, the Administration recommends constitutionally guaranteeing the Vehicle License Fee (VLF) and Cigarette Tax Shared Revenues.

Restructuring State and Local Revenues

To more honestly reflect true local government revenues, the Administration recommends:

- Eliminating the State's share of Vehicle License Fees and transferring it to Counties. This realignment will remove the State from receiving Vehicle License Fees which have been a local tax. In addition, this will give recognition to the fact that counties need an additional revenue source.
- Providing sharing of revenues from the Supplemental Property Tax to cities, counties, special districts and community college districts. Under current law, K–12 schools receive all revenues generated from the supplemental roll. This provision should be shared by all local government in accordance with current allocations.
- Repealing the Personal Property Tax (Business Inventory) subvention. The tax on personal property was eliminated in 1980. The current subvention relates to the tax that was in place at that time and does not necessarily relate to current conditions.

State Mandated Programs

Previous Governors' Budgets have not reflected the cost of local mandate claims approved by the Board of Control until a claims bill was approved by the Legislature. This has had the effect of understating reasonably anticipated expenditures and has, more importantly, frequently resulted in deferring those expenditures to future budgets.

The Governor's Budget reflects (1) the cost of all claims approved by the Board of Control (except those which have been approved but do not represent mandates); (2) an amount for claims which are anticipated to be approved by the Board for the remainder of the current year, and (3) the amount currently estimated by the Controller as deficiencies in prior Budget Act appropriations. This increases General Fund costs by more than \$135 million in 1983-84 and \$29.5 million in 1984-85.

One additional change is needed to strengthen local government's position in the process. Legislation will be proposed which will provide that mandates which are not funded would become permissive on the part of local government.

The current process for reimbursing approved State-mandated local costs requires a substantial amount of financial resources by both the State and local agencies in:

- Preparing a detailed and lengthy package of claiming instructions
- Gathering the information necessary to complete the claim forms
- Reviewing by means of desk audit those claims prior to making payments
- Maintaining necessary supporting documentation in the event the claim is field audited
- Participating in Board of Control hearings over contested reductions by the State Controller in amounts claimed.

In order to reduce unproductive expenditures of this type, the Administration is proposing to provide funding for most ongoing mandate programs which have been in existence for several years on a block grant basis. This will give incentive, which is not now present, to local government to perform the mandates in the most efficient manner since they will be able to retain any savings for other programs.

Other Proposals

Local authority and local flexibility will be promoted by the following Administration proposals:

- Reinstating local government's ability to use the property tax to guarantee General Obligation Bonds with a two-thirds vote of the local electorate:

This is needed to give local governments the ability to provide capital for infrastructure needs at the lowest cost.

- Subvene \$2.1 million to the no property tax cities from the VLF:
Thirty-one cities do not receive property tax. For the past three years, the Legislature has provided a special appropriation to these cities to replace three subventions eliminated in 1981-82. This proposal would ensure the continuation of this revenue for those cities that are outside of the property tax allocation system.

- County Revenue Raising Authority:
A necessary component of long-term fiscal stability and accountability for counties is the ability to adjust local revenues to meet local need. In recognition of this, the Administration will work with the Legislature and local government to review such local revenue alternatives.

- Under the Defense of Indigents Program, indigents may request the court for funds to pay for investigators, experts, and others involved in the preparation or presentation of their defense in capital cases. The State reimburses counties for all court-ordered expenditures.

A similar program reimburses small counties for all costs, above a nominal floor, of conducting homicide trials. The State picks up virtually all costs for both programs, but has no influence on those costs.

This method of funding has contributed to a rapid escalation of costs for the combined programs of from \$1.9 million in 1980-81 to a proposed expenditure level of \$5 million in 1984-85. At least part of this increase is because local governments do not participate in the program.

While local governments cannot (and should not) directly control trial costs anymore than the State can control such costs, we believe that there will be some consideration of costs

if there is 20 percent participation in the program by local government.

Local Revenue

The above proposals meet the basic criteria called for by the New Partnership Task Force. In addition, counties will receive additional revenues over current law.

One measure used in assessing the fiscal condition of cities and counties is the change in general purpose revenues. General purpose revenues include only those revenues which may be expended for any governmental purpose.

Counties administer health and welfare programs for the State and, therefore, have no discretion over certain costs. In recognition of this, costs associated with these programs are used as an offset to county general purpose revenues.

Counties also have limited control over certain court costs. Direct court costs, for example, superior and municipal courts and marshalls, are more controlled by the court than the county. Court-related expenditures, including criminal justice costs, are affected by agencies such as juvenile hall which are not under the control of the county. It is difficult to assess these costs.

SUMMARY OF LOCAL REVENUES (Dollar amounts in millions and expenditures per ADA in dollars)

| <i>Local Agencies</i> | <i>1981-82</i> | <i>1982-83</i> | <i>1983-84</i> | <i>1984-85</i> |
|---------------------------------|----------------|----------------|----------------|------------------------|
| Counties | | | | |
| Property Tax ^a | \$2,577.0 | \$2,851.5 | \$3,043.4 | \$3,247.4 |
| Sales Tax | 310.0 | 314.0 | 352.3 | 393.2 |
| Vehicle License Fees | 318.6 | 307.6 | 339.0 | 674.9 |
| Other Revenues..... | 1,315.7 | 1,249.9 | 1,223.7 | 1,249.0 |
| Total..... | \$4,521.3 | \$4,723.0 | \$4,958.4 | \$5,564.5 |
| Less Mandated | | | | |
| Health and Welfare Costs | -662.2 | -674.5 | -709.2 | -712.4 |
| Adjusted Total | \$3,859.1 | \$4,048.5 | \$4,249.2 | \$4,852.1 ^b |
| Cities | | | | |
| Property Tax ^a | \$973.3 | \$1,070.6 | \$1,113.1 | \$1,221.3 |
| Sales Tax | 1,295.5 | 1,312.3 | 1,472.4 | 1,643.2 |
| Vehicle License Fees | 205.8 | 134.8 | 160.0 | 467.0 |
| Other Revenues..... | 2,041.2 | 2,197.5 | 2,390.5 | 2,532.2 |
| Total..... | \$4,515.8 | \$4,715.2 | \$5,136.0 | \$5,863.7 ^b |
| Special Districts | | | | |
| Property Tax ^a | \$585.4 | \$647.5 | \$696.1 | \$746.3 ^b |
| Education | | | | |
| K-12 and County Offices: | | | | |
| Property Tax ^a | \$2,598.7 | \$2,461.7 | \$2,719.3 | \$2,812.2 |
| State Apportionments..... | 5,924.1 | 6,089.4 | 6,626.0 | 7,421.1 |
| Categorical Aid | 1,406.8 | 1,446.2 | 1,591.3 | 1,620.1 |
| Total..... | \$9,929.6 | \$9,997.3 | \$10,936.6 | \$11,853.4 |
| ADA | 4,211,441 | 4,235,800 | 4,259,800 | 4,308,000 |
| Expenditures per ADA | \$2,358 | \$2,360 | \$2,567 | \$2,751 |
| Community Colleges: | | | | |
| Property Tax ^a | \$403.1 | \$395.4 | \$396.6 | \$450.1 |
| Proposed fees | - | - | - | 95.0 |
| State Apportionments..... | 1,038.5 | 1,015.2 | 973.4 | 983.4 |
| Categorical Aid | 43.9 | 48.8 | 51.6 | 67.2 |
| Total..... | \$1,485.5 | \$1,459.4 | \$1,421.6 | \$1,595.7 |
| ADA | 735,154 | 706,733 | 662,070 | 685,531 |
| Expenditures per ADA | \$2,021 | \$2,065 | \$2,147 | \$2,328 |

^a Property tax revenue includes reimbursement for the Homeowners' and Business Inventory Exemptions. The schools' share of BIE is in the apportionment numbers for 1983-84 and 1984-85. The Special District amount is for general purpose activity only. Debt service and enterprise activities are excluded.

^b The 1984-85 figures reflect the Administration's New Partnership proposal.

Under the proposal outlined, city and county general purpose revenues would increase 12.4 percent and 14.2 percent respectively. These data are consistent with the economic assumptions used in the development of the State budget.

Local revenues for all jurisdictions are shown in the table entitled "Summary of Local Revenues."

AB 8 Deflator

Even though it is proposed that the AB 8 deflator be repealed, the following table gives an estimate of the effect the deflator would have on local government in 1984-85.

AB 8 DEFLATOR ESTIMATED IMPACT 1984-85

| | <i>(Dollars in millions)</i> |
|--|------------------------------|
| Base Year Amount | \$21,500 |
| Compounded Percentage Increase (1983 over 1980) | 22.1 |
| Adjusted Base Amount..... | \$26,252 |
| Estimated General Fund Revenues and Transfers | \$25,825 |
| Less AB 66 Revenues | 249 |
| Less Replacement of Federal Funds | 52 |
| TOTAL | \$25,524 |
| Amount of Reduction | \$728 |

Half of this amount (\$364 million) would be reduced from subventions going to local governments. Chapter 498, Statutes of 1983, repealed the deflator for schools.

Local Assistance

Local assistance expenditures include three major categories:

- assistance to individuals
- payments to service providers
- payments to local government

The payments to local government are divided into general purpose and restricted.

Assistance to individuals includes grants to individuals, for example SSI/SSP or AFDC payments. In addition, several tax relief programs which provide assistance directly to individuals, such as the renters credit program, are included. Also included in this category are indirect payments to individuals for tax relief programs such as the

homeowners' exemption. Payments in that program are made to local governments to reimburse them for the property tax loss incurred through the exemption.

Payments to service providers include expenditures for services provided by agencies other than the State. These payments could be to counties or to private contractors.

Payments to local government include expenditures which are sent directly to counties for specific programs or reimbursements for a legislative mandate. There may be only a fine distinction in some programs between payment to service providers and restricted payments to local government.

The general purpose payments to local government category includes payments where the funds can be used for any general government purpose.

The following table shows General Fund expenditures for these categories for past, current and budget years.

LOCAL ASSISTANCE EXPENDITURES
(In Thousands)

| | 1982-83 | 1983-84 | 1984-85 |
|---|-------------|-------------|----------------------|
| Assistance to Individuals | | | |
| Health and Welfare | | | |
| SSI/SSP Grants | \$1,140,480 | \$1,097,386 | \$1,101,124 |
| AFDC Grants..... | 1,367,301 | 1,491,641 | 1,562,645 |
| Special Adult Programs | 1,539 | 1,472 | 138 |
| Office of Statewide Health Planning | \$3,033 | \$3,001 | \$2,880 |
| Total | \$2,512,353 | \$2,593,500 | \$2,666,787 |
| Tax Relief | | | |
| Homeowners' Tax Relief..... | \$333,955 | \$334,000 | \$334,500 |
| Senior Citizens' Property Tax Assistance | 11,091 | 984 | 8,100 |
| Senior Citizens' Property Tax Deferral..... | 6,093 | 7,150 | 9,300 |
| Senior Citizens Renters' Tax Relief | 41,945 | 2,350 | 32,500 |
| Renters' Tax Relief | 422,170 | 421,370 | 447,000 |
| Total | \$815,254 | \$765,854 | \$831,400 |
| Student Aid Commission | \$74,923 | \$76,420 | \$85,125 |
| California Arts Council..... | 1,611 | 659 | 6,510 |
| Total, Assistance to Individuals | \$3,404,141 | \$3,442,364 | \$3,589,822 |
| Payments to Service Providers | | | |
| Health and Welfare | | | |
| Department of Aging | \$3,758 | \$7,032 | \$4,945 |
| Department of Alcohol and Drug Abuse | | | |
| Alcohol Program | 32,219 | 32,345 | 63,836 ^a |
| Drug Program | 29,621 | 29,702 | — |
| Department of Health Services | | | |
| Public Health Services | 108,046 | 96,795 | 82,643 ^b |
| Medi-Cal Assistance Program | 2,481,126 | 1,964,040 | 1,985,736 |
| Department of Developmental Services..... | 527,476 | 559,194 | 592,425 |
| Mental Health Services | 467,894 | 449,094 | 507,597 |
| Social Service Programs | 154,123 | 169,229 | 205,050 |
| Community Care Licensing | 6,309 | 7,515 | 7,665 |
| Department of Rehabilitation | — | 42,239 | 45,523 |
| Emergency Medical Services Authority | — | 448 | 448 |
| Total, Payments to Service Providers..... | \$3,810,572 | \$3,357,633 | \$3,495,868 |
| Payments to Local Government | | | |
| Restricted | | | |
| Legislative/Judicial/Executive | \$65,396 | \$66,300 | \$64,739 |
| State and Consumer Services..... | 4,983 | 420 | 420 |
| Business/Transportation/Housing | 8,348 | 6,900 | 6,900 |
| Resources | 2,417 | 6,779 | 16,713 |
| Health and Welfare | | | |
| Department of Health Services: | | | |
| Public Health Services for Local Agencies | 421,733 | 845,847 | 876,643 ^b |
| County Administration | 86,004 | 54,644 | 56,371 |
| Department of Social Services | | | |
| County Administration | 102,475 | 116,686 | 129,114 |
| Youth and Adult Correctional..... | 78,170 | 75,579 | 77,292 |
| Education | | | |
| K-12 Categoryals | 1,962,501 | 2,281,788 | 2,424,236 |
| School Facilities Aid | 37,027 | — | — |
| Contribution to Teacher's Retirement Fund | 235,491 | 20,500 | 536,045 |
| Community College Categoryals | 43,915 | 47,397 | 67,050 |
| Other Governmental Units | 68,785 | 29,887 | 23,427 |
| Shared Revenues—Tidelands | 375 | 400 | 400 |
| Local Mandates | 92,886 | 224,493 | 111,437 |
| Total—Restricted | \$3,210,506 | \$3,777,620 | \$4,390,787 |

| | | | |
|--|---------------------------|---------------------|---------------------------|
| General Purpose | | | |
| Education | | | |
| K-12 Apportionments | \$5,515,703 | \$5,892,877 | \$6,574,363 |
| Community College Apportionments | 1,010,843 | 969,528 | 958,489 |
| Other Governmental Units | | | |
| Tax Relief | | | |
| Personal Property Tax Relief | \$516,539 | \$291,707 | — ^c |
| Open Space | 13,475 | 13,000 | 13,200 |
| Subventions for Revenue Loss | 2,073 | 3,776 | 3,700 |
| Substandard Housing | 36 | 70 | 98 |
| Proposition 13 Fiscal Relief | — 654 | 2,354 | — |
| Local Agency Reimbursement Fund..... | 2,690 | — | — |
| Total—General Purpose | <u>\$7,060,705</u> | <u>\$7,173,312</u> | <u>\$7,549,850</u> |
| Total Payments to Local Government | <u>\$10,271,211</u> | <u>\$10,950,932</u> | <u>\$11,940,638</u> |
| Estimate Unidentifiable Savings | — | — 20,000 | — 75,000 |
| Total, General Fund Local Assistance | \$17,485,924 ^d | \$17,730,929 | \$18,951,327 ^e |

^a Alcohol and Drug Programs combined into one program in 1984–85.

^b Family Planning and Public Health Enhancement Programs are included in payments to Local Governments—Public Health Services for Local Agencies in 1984–85.

^c Reflects proposal to eliminate the Personal Property Tax Subvention.

^d Total differs from Schedule 9 because Student Aid Commission grants are included as State Operations for 1982–83 in Schedule 9.

^e Does not include the \$200 million loan repayment to Los Angeles County.

Infrastructure

An adequate infrastructure is essential to maintaining the quality of life in California. This State has historically had one of the most unique and extensive infrastructure systems in the nation. The system has been in place for many years without a comprehensive review of its adequacy and condition.

The Governor has created the Infrastructure Review Task Force to identify and address issues relating to infrastructure planning, financing, construction, operation, and maintenance needs in California. The review process will include:

- A specific inventory of the most critically needed projects or repairs, and the estimated cost of meeting these needs.
- Recommendations regarding the roles of State Government, local government and the private sector in meeting the needs.
- Recommended options regarding methods by which the costs of needed projects identified by the inventory can be covered.

The task force will complete its deliberations and report findings by April 15, 1984. However, since the report will not be completed until late in the legislative calendar, there are two high priority issues which should be addressed immediately—toxics cleanup and county jail capital expenditures.

Toxics Cleanup

The State currently has an active program of inspection, licensing and enforcement of statutes relating to the handling and disposal of toxic waste. This program is responsible for ensuring that toxic wastes currently being generated are handled in an environmentally safe manner.

While current toxic problems are being addressed, extensive efforts must be made to reverse and, where possible, eliminate environmental and public health damage caused by past improper storage and disposal of toxic waste. Using the funds currently available this work would not be accomplished until well into the next century.

For this reason it is proposed that the Legislature place on the ballot for the next general election a general obligation bond issue to authorize a \$300 million Toxic Cleanup Fund. This bond issue would provide up-front funding secured by the full faith and credit of the State and would be available to award contracts to clean up those sites which



have been identified as posing the most serious threat to the public health and environment.

It is expected that the full cost; including principal, interest, and administration of these bonds; would be redeemed from the existing State Hazardous Substances Account. This account is made up of funds available from the Federal Government "Superfund" and the fees assessed to those parties responsible for the creation of the problems. The general obligation bond will assure the most expeditious and lowest cost method of funding clean up of hazardous waste sites.

County Jail Capital Expenditure Program

In November 1982, the voters approved the County Jail Capital Expenditure Bond Act which authorized the issuance of \$280 million in bonds to finance the capital outlay needs of local jails. Although these funds may be adequate to meet the most critical local jail problems, they are insufficient to provide the type of renovation and construction needed at the county level.

It is proposed that the Legislature place on the ballot for the next general election a general obligation bond issue to authorize \$300 million so that additional funds will be available to address the unmet need.

1984-85 Capital Outlay Program

The Governor's Budget provides nearly \$2 billion in capital outlay funds for facilities for transportation, water delivery, education, hospitals, correctional institutions, general office space and other capital needs. Additionally \$1.4 billion in local assistance and shared revenues is provided for local streets, schools, and other construction needs. Some of the major program areas include:

- The State Highway System is composed of more than 48,000 lane miles. The present economic recovery, coupled with the high mobility of the State's population, will result in the expanded use of the highway system. To meet this increased demand, the Administration is proposing the largest highway construction program in State history: over \$1 billion in 1984-85 to expand the system and to make it safer. Additionally, \$774 million will be provided to local governments for street and road repair and construction.
 - California is experiencing a serious shortage of space to house convicted criminals. As prison terms are lengthened, this problem will become even more critical. To cope with this situation, the Administration has escalated the prison construction program to provide as much new capacity as possible. The Governor's Budget contains \$94.7 million in State funds, and proposes authorization for private sector lease-purchase financing of \$514.4 million, for this purpose.
 - The Governor's Budget contains \$38 million to provide additional fire-life safety modifications for the State hospitals. These modifications will improve living conditions and provide for continued Federal licensure.
 - With the improved economy and the continued growth in California's population, more people will visit State parks in 1984-85 than ever before. To meet this increased demand, the Administration is proposing \$46 million in 1984-85 for acquisition and development of additional recreational facilities statewide.
 - More Californians are attending college classes each year. Anticipating the need for new facilities to meet demands for classes is essential to providing quality education. The high quality of life that California's citizens enjoy is directly linked to the excellence of the State's education system. An essential part of that system is the adequacy of its physical plant. Consequently, the Administration is proposing \$265 million for the construction and planning of 42 additional educational facilities statewide.
- Additional information is provided in the respective program expenditure sections.

Report on 1984-85 Budget's Compliance with Appropriation Limit Set by Article XIII B

In 1979 California voters passed Proposition Four imposing limits on certain kinds of appropriations made from tax revenues. This proposition established a limit on the growth of certain appropriations based on changes in the Consumer Price Index and population. In addition, there are provisions to adjust for changes in financial responsibility among levels of government.

The State's appropriation limit is established in Control Section 12.0 of the Budget Act. As required by Article XIII B, the table below sets forth the appropriation limit adjusted to reflect any shifts in financial responsibility and the estimated appropriations subject to limitation. The 1984-85 appropriation limit is based on the Governor's Budget and will be adjusted to account for legislative changes.

STATE APPROPRIATION LIMIT (In millions)

| | <i>1978-79 Base</i> | <i>1979-80</i> | <i>1980-81 Limit</i> | <i>1981-82 Limit</i> | <i>1982-83 Limit</i> | <i>1983-84 Limit</i> | <i>1984-85 Limit</i> |
|---|-------------------------|----------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| State Appropriation Limit | \$12,564 | \$14,195 | \$16,236 | \$18,028 | \$19,580 | \$20,416 | \$21,967 |
| Appropriations Subject to Limitation..... | — | — | — 15,533 | — 16,733 | — 16,268 | — 17,380 | — 20,367 |
| Amount Under Limit..... | — | — | \$703 | \$1,255 | \$3,312 | \$3,036 | \$1,600 |

Employee Compensation

Management and labor in State Government share a commitment to providing the highest possible degree of service to the public. Within this common goal management and labor have interrelated and compatible responsibilities, which need to be acknowledged and mutually understood.

Management's responsibility is to provide service to the public as economically and efficiently as possible through the employment of trained, dedicated and fairly-paid individuals. Labor's responsibility is to assure its members that they are adequately compensated, have reasonable working hours, and good working conditions.

In addition, the Administration has the responsibility to ensure that the State does not enter into agreements that exceed its ability to finance its programs or that jeopardize State services to the California public. Therefore, 1984-85 contracts must reflect appropriate salary and benefit adjustments as well as productivity and efficiency reforms.

A Two-Year History

Collective bargaining between the State of California and its employees under SEERA and between the University of California and the California State University and their employees under HEERA has been in effect for two years. Management, exclusive representatives, and employees have demonstrated a spirit of cooperation in overcoming the difficulties encountered in making the new employee relations process work—while at the same time maintaining the State's traditionally high level of public service.

In addition to implementing the bargaining process, State Government has had to surmount a severe fiscal crisis which had many adverse impacts, not the least of which involved employee compensation and benefit programs. In 1983-84, even though the fiscal crisis was at its height as this Administration was sworn into office, State management committed additional new spending for State employee salaries and benefits.

Essentially, the employee compensation program provided for the continuation of the State's partial payment of the employee's retirement contribution for the first six months of the fiscal year, State-paid premium increases for health and dental benefits, a six percent general salary increase effective January 1, 1984, and a number

of salary inequity adjustments as well as a variety of benefit adjustments agreed to in the memoranda of understanding.

1984-85 Compensation Program

In the Governor's Budget the Administration is including an employee compensation package of up to 10 percent. This increase in combined salaries and benefits reflects, once again, the Administration's commitment to a compensation program which allows the State to attract and retain competent and dedicated employees.

The Administration's proposal is set aside for bargaining purposes. This will maintain priority of these funds for State employees. Final decisions on the ultimate amount of salary and benefit increases will depend upon the negotiation process, including the degree to which management achieves its objectives, such as reforms to improve State operations.

1984-85 Fiscal Summary of Employee Compensation

| | <i>General Fund</i> | <i>Special Funds</i> | <i>Other Funds</i> | <i>Total</i> |
|-----------------|-------------------------|--------------------------|------------------------|--------------|
| Civil Service | \$204,682 | \$122,471 | \$102,083 | \$429,236 |
| Judiciary | 1,980 | — | — | 1,980 |
| Annuityants .. | 13,669 | — | — | 13,669 |
| Total | \$220,331 | \$122,471 | \$102,083 | \$444,885 |

Improving Government

Management

Government must pay attention not only to which public services should be provided, but also to how efficiently those services can be delivered. Economies resulting from efficiency ensure that needed services are provided while reducing the cost and size of government.

Efficient government is the direct result of the labors of efficient and innovative government managers who have the ability, opportunity, and desire to ensure that their area of responsibility provides only those services which are needed, and provides them in the most cost effective manner.

Unfortunately, current State management practices do not encourage or reward those in government for efficient management. Rather, State government follows the traditional bureaucratic principle that rewards a government manager or executive according to the cost and size of the operation, rather than for how efficiently the service is delivered. The result is a disincentive to find ways to reduce costs or personnel.

To deal with this problem, the Governor will establish a task force on Management Operations Reforms. The task force will be charged with studying those factors which currently preclude efficient and effective government management and prevent rewarding reforms undertaken to improve the system.

The task force will include management professionals from private industry and the California universities as well as representatives of the Departments of Finance, Personnel Administration, General Services, the State Personnel Board and various operating departments.

Key management issues to be addressed include:

- Reduction of bureaucratic red tape which acts to inhibit and restrict management performance.
- Implementation of structured evaluations of management to ensure increases in accountability and productivity.
- Implementation of more flexible compensation alternatives for management in relation to their performance.
- Redefinition of tenure rights to provide more

flexibility in the appointment of managers and redefinition of classification guidelines to reflect changes in management staffing philosophy.

- Examination of support staffing—analysts, planners, consultants, etc.—who have grown alongside of management in response to the bureaucratic framework that exists in State service.

Automation

From the design of a new telecommunications network in the wake of the AT&T divestiture to installing 100 additional computers in Department of Motor Vehicles field offices, the Governor's Budget provides for and encourages the application of automation to a broad spectrum of State services.

As California's population continues to grow, demands for an expanding variety of government services will increase. If the State is to meet these needs without substantial growth in State employment and program expenditures, government must provide staff access to the modern information and telecommunications technologies. These technologies are capable of significantly improving the quality, increasing the productivity and lowering the costs of government operations.

Recognizing this need, the Administration issued an Executive Order in September 1983 directing the State Office of Information Technology (SOIT) to develop a plan for coordinating the application of information technology throughout State government. SOIT is now working with the individual State agencies, departments and executive offices to develop plans for the automation of their information processing needs within the next three years.

At the same time, the following are examples of electronic and telecommunication applications already being put to work on behalf of the public:

- Automation of field offices avoids duplication of files by permitting access to a single computerized data base. Departments now implementing field offices include the Employment Development Department, Department of Motor Vehicles, and Franchise Tax Board.

- Computer aided design assists Caltrans engineers to design and improve California's highway system.
- Computer output to microfilm saves the State millions of dollars and thousands of trees.
- Optical laser scanners will permit law enforcement agencies to quickly match fingerprints with suspects.
- Computers monitor the development of California's coastal lands, helping to locate rare and endangered plants and animals and providing information to consultants, utility companies, county planners and regulatory agencies.
- Progressivity or regressivity of the tax structure
- Adequacy of the tax base over time
- Beneficiaries of individual provisions of the tax code
- Reasons behind the enactment of specific exemptions, deductions and credits, to determine if the provisions should be continued.

Tax System

California's tax system has grown increasingly complex over the years. Changes have been enacted piecemeal—without consideration of the overall tax structure or of the socioeconomic effects of the various measures, either singly or in combination. There is no certainty that the tax system as it currently exists meets the criteria of equity, efficiency and ease of administration.

Nor is it certain that the tax structure is relevant to the California economy. It has been 20 years since the last thorough study of the State's tax system was made. During those years California has experienced a significant change in the nature of economic activity within its borders. The current tax system may not be appropriate to the economy of the eighties.

This Administration will be appointing a task force drawn from industry, labor, academia and the public to study the State tax system. The task force members will be knowledgeable about public finance and will be concerned with the necessity of securing a fair, efficient and relevant tax base to provide for the needs of all Californians.

The task force will address such issues as:

- Equities or inequities of the existing tax system

Economic Forecast

Work on the Governor's Budget begins in the Department of Finance more than one year before the budget takes effect. Budget decisions are based on a set of assumptions about economic conditions during the next fiscal year.

Accurate economic forecasts are critical to the budget building process, because both state revenues and expenditures are sensitive to the health of the economy. If there is a downturn, the state's tax receipts may fall below estimates at the same time more individuals may need to apply for state services, increasing program caseloads and costs above projections.

The following pages explain the economic assumptions that underlie the Governor's Budget.

National Outlook

The past year was characterized by a strong recovery which moved the economy off the

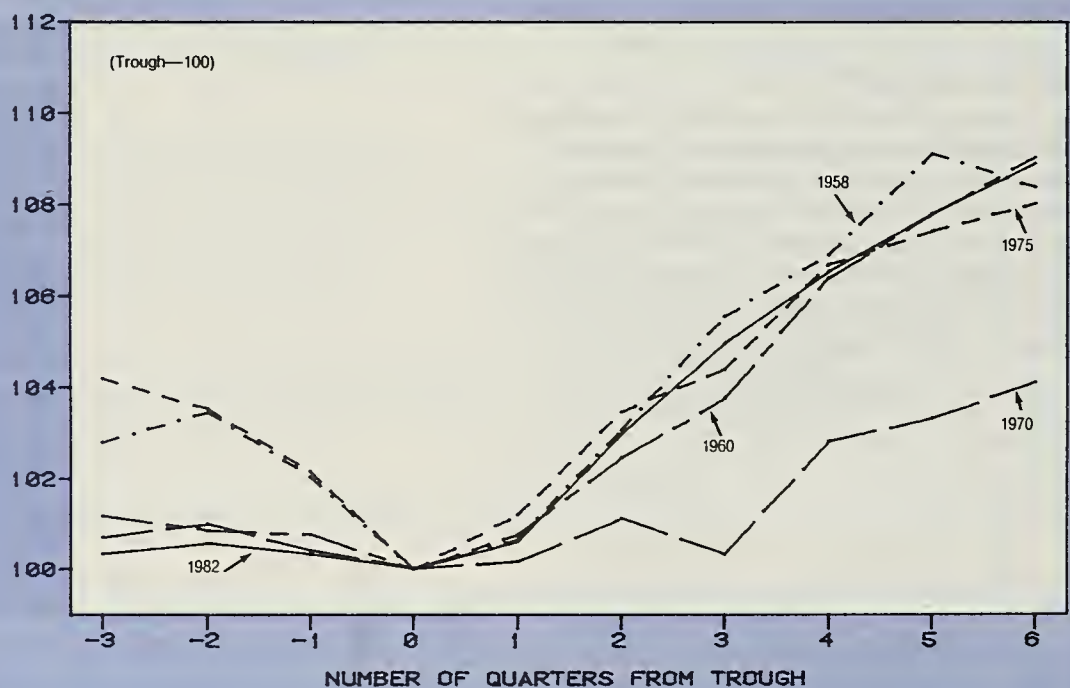
erratic—and quite lackluster—course it has followed since 1979.

During the past year:

- Spending on consumer durables increased by an estimated 13 percent.
- Housing investment was up 37 percent.
- Investment in plant and equipment started to improve mid-year.
- The inventory decline which began in the first quarter of 1982 was finally reversed as business responded to the sharp upturn in sales.
- The previous high in economic activity, recorded during the July–September 1981 period, was surpassed during the third quarter last year.

Overall, the output of goods and services in the Nation increased by 6.6 percent in real terms

Figure 9
Real GNP Growth
Before and After Recession Trough



during the first four quarters of recovery. The recovery path turned out to be very typical, as illustrated in Figure 9.

The 1984 outlook is dependent to a large extent on interest rates. There is considerable debate on this issue at the present time. The primary concerns relate to the size of the Federal deficit and Treasury borrowing needs, and to policies of the Federal Reserve System.

Interest rates will rise substantially if there is a clash between private and public demands for funds. The role of the Federal Reserve is critical. Slow growth of the money supply could precipitate such a clash. A too-lenient policy, however, could well rekindle inflationary pressures, creating potentially severe problems for 1985.

The budget forecast assumes that a conflict in the credit markets can be avoided. The basic factor leading to this conclusion is the better liquidity situation for business. Sharply improved balance

sheets, reflecting in large part the strong recovery in corporate profits, has permitted new investment to be financed internally in many cases, thereby easing pressures on financial markets even as the Treasury has undertaken massive borrowings.

Consumer confidence has already improved dramatically, as evidenced by the surge in retail sales in 1983. A further strengthening should arise from the favorable developments to date:

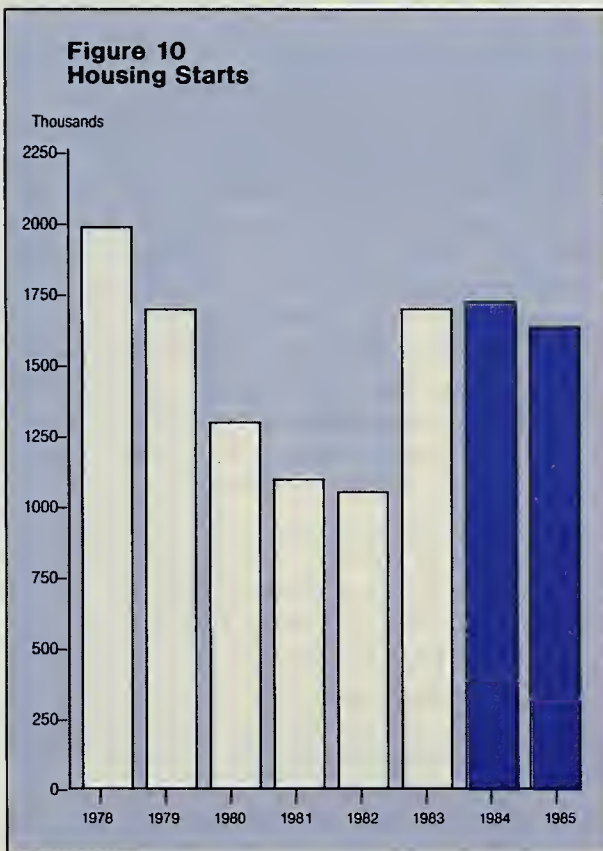
- The rise in personal income has gained momentum over the past year, with a strong year-end performance in wages and salaries.
- Excluding the impact of the communications workers strike, job levels have been expanding steadily.
- The unemployment rate, which peaked at 10.8 percent in December 1982, was down to an 8.4 percent rate by November 1983.
- Inflation has continued moderate. The consumer price index was up only 2.9 percent between October 1982 and October 1983.

Assuming no external shocks which would throw the recovery off its track, 1984 should be a year of good economic gains.

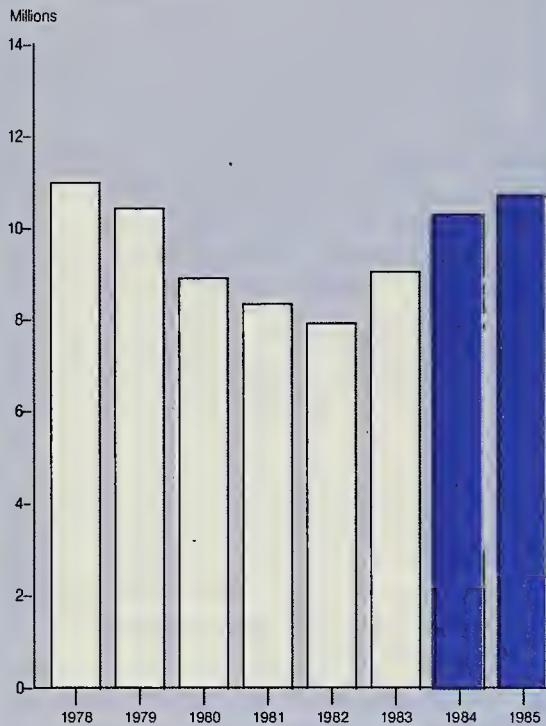
The outlook beyond 1984 is far less certain. The standard forecast of the Department of Finance calls for further growth, but at a more normal pace.

Highlights of the 1984 and 1985 National Forecast (\$ in billions)

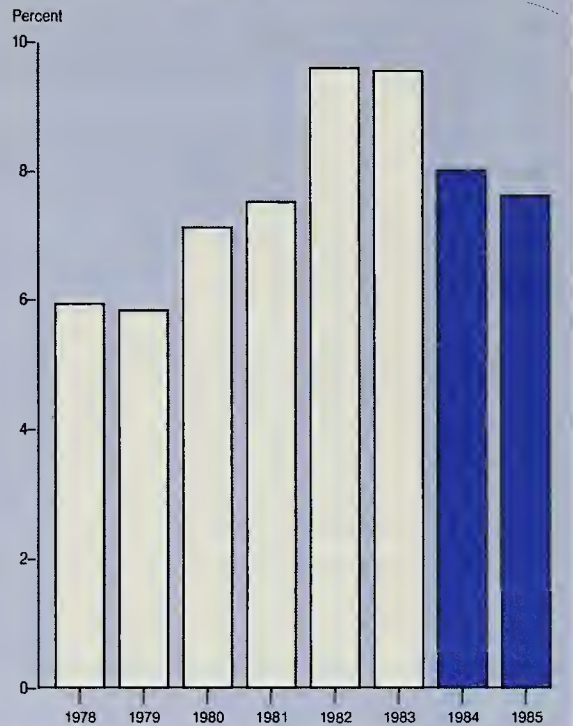
| | 1984 | | 1985 | |
|-----------------------------------|-----------|----------|-----------|----------|
| | Amount | % Change | Amount | % Change |
| Real GNP | \$1,623.2 | 5.6 | \$1,674.9 | 3.2 |
| Consumer spending | \$1,054.9 | 4.3 | \$1,086.2 | 3.0 |
| Personal income | \$2,993.1 | 9.2 | \$3,242.6 | 8.3 |
| Corporate profits | \$257.4 | 27.3 | \$299.7 | 16.4 |
| New car sales (mill.) | 10.4 | 14.5 | 10.8 | 3.4 |
| Housing starts (thous.) | 1,730 | 1.1 | 1,632 | -5.6 |
| Consumer price index (1967 = 100) | 314.7 | 5.4 | 332.6 | 5.7 |



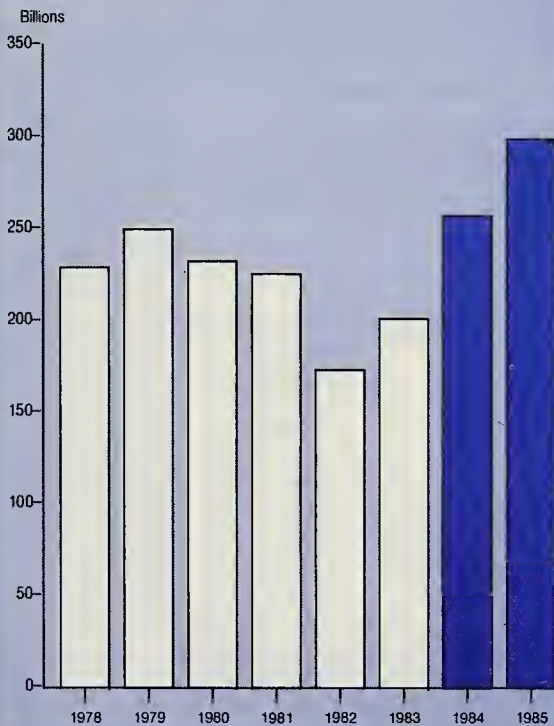
**Figure 11
New Car Sales**



**Figure 13
Unemployment Rate**



**Figure 12
Corporate Profits**



Alternative National Forecasts

Two alternative forecasts have been prepared. The high side reflects continued above-average growth for the next eight quarters. In effect, such a pattern would set the Nation on a period of expansion which could continue into the late 1980s before another recession occurred. The downside, in contrast, has the next recession starting in the fourth quarter of 1984, and lasting throughout 1985.

- If inflation heats up, the Federal Reserve is likely to respond with a tighter monetary policy, thereby reducing the availability of credit to keep the expansion going.
- If consumer and business demands for credit surge and Treasury borrowings continue high, there would be a strong upward movement in interest rates. This would stifle both consumption and investment.
- Other events, such as an international financial crisis, a prolonged auto strike, a renewed round of petroleum price increases, or the development of severe inventory imbalances would play important roles in the outlook.

- On the opposite side, continuation of moderate recovery, without the buildup of imbalances, would permit steady monetary expansion, a gradual easing of interest rates, and sustained growth through the year.

Alternative Forecasts Through 1985

(Percent changes except as noted)

| | | <i>High</i> | <i>Standard</i> | <i>Low</i> |
|---------------------------------|------|-------------|-----------------|------------|
| Real GNP | 1984 | 6.0 | 5.6 | 4.7 |
| | 1985 | 5.1 | 3.2 | -0.3 |
| Personal income | 1984 | 9.4 | 9.2 | 8.9 |
| | 1985 | 9.5 | 8.3 | 6.8 |
| Corporate profits | 1984 | 27.7 | 27.3 | 22.8 |
| | 1985 | 19.2 | 16.4 | -19.6 |
| Wage and salary employment..... | 1984 | 4.1 | 3.9 | 3.6 |
| | 1985 | 3.5 | 2.3 | -0.1 |
| Unemployment rate..... | 1984 | 8.0 | 8.1 | 8.4 |
| (Percent) | 1985 | 6.9 | 7.7 | 9.4 |
| New car sales | 1984 | 10.5 | 10.4 | 10.0 |
| (Millions) | 1985 | 11.6 | 10.8 | 8.6 |
| Housing starts | 1984 | 1,780 | 1,730 | 1,515 |
| (Thousands) | 1985 | 1,865 | 1,632 | 1,260 |

shown, in fact, mask the full extent of the differences in the forecasts. The chart below shows the pattern for real GNP under the standard, high, and low forecasts by quarter. It should be noted that the low alternative is only a preliminary assessment of the recession potential. Any downturn during 1985 could well be more severe than indicated here.

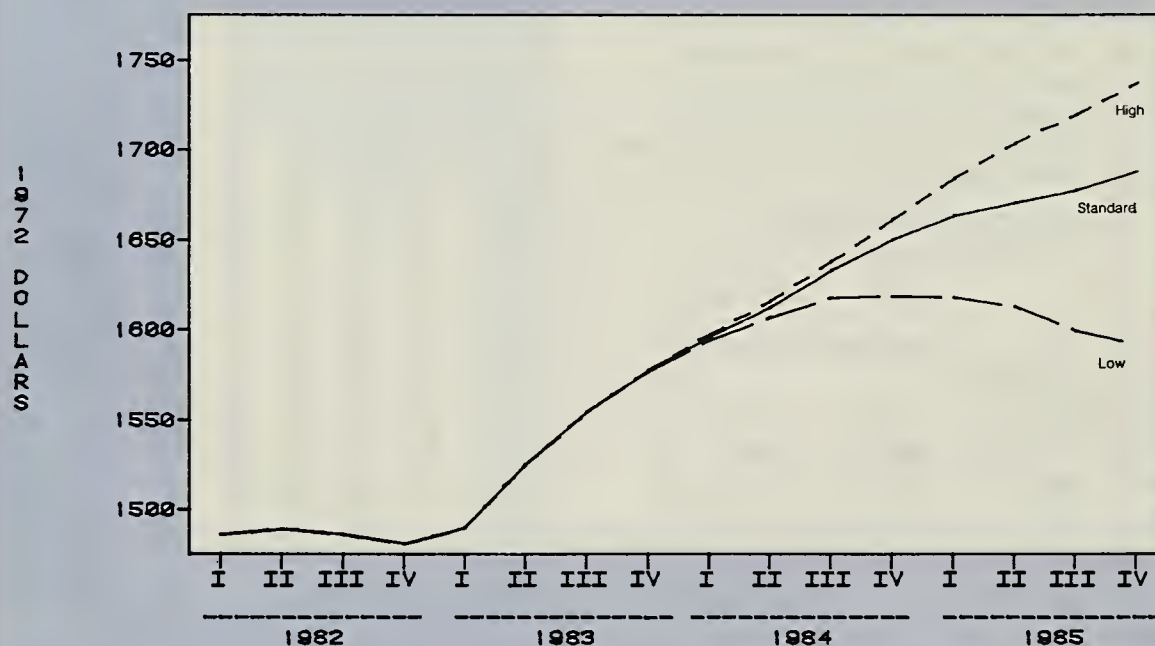
California Outlook

During the past year the California economy made major advances following the 1981-82 recession.

- In January the job situation turned around. Nonagricultural employment was up by 0.8 percent after declining in 15 of the 18 previous months.
- By November 1983 employment was up by 321,000 jobs from the December 1982 trough.
- The unemployment rate during the year fell from an all-time high of 11.2 percent in February to near 8 percent at year-end.
- The number of unemployed persons decreased by more than 340,000.
- Housing construction doubled compared to 1982.

The alternative forecasts summarized above do not differ significantly for 1984. By 1985, however, the spread widens sharply. The annual data

Figure 14
Real GNP:
Alternative Forecasts



Economic expansion is expected to continue through 1984. Moderate increases in the labor force and civilian employment will bring the unemployment rate below 8 percent by mid-year.

Nonagricultural employment will be up by over 375,000 jobs, or 3.8 percent, between the fourth quarter 1983 and fourth quarter 1984. The strongest gains will be in durable goods manufacturing, retail trade, construction and services. Government and mining are expected to show little, if any, rise.

Employment gains and an average wage increase of about 5½ percent will lead to a significant gain in wage and salary income. Proprietors' and property income are expected to rebound strongly reflecting improved business conditions. Total personal income is expected to reach \$364.4 billion in 1984, up \$32 billion, or 9.7 percent from 1983.

While 1984 housing unit authorizations will be below historic levels, the 170,000 units forecast would be the highest total since 1979.

Growth in 1985 is likely to slow moderately. Total nonagricultural employment is expected to rise by 2.6 percent, with the employment increase in most sectors at about 3.0 percent. The lower rate of growth in the total results from virtually no change in the government sector.

The outlook for inflation remains good. The California Consumer Price Index increased an estimated 1.8 percent in 1983. As recovery continues, inflation should stabilize at 6 percent in both 1984 and 1985. Home fuel, transportation, rents and medical care costs are expected to continue to exert upwards pressure on the price index, although the increases will generally be less than those of the late 1970's.

Selected California Indicators (\$ in billions)

| | 1984 | | 1985 | |
|--|---------|----------|---------|----------|
| | Amount | % Change | Amount | % Change |
| Nonagricultural Employment (000) | 10,359 | 3.9 | 10,630 | 2.6 |
| Unemployment Rate (%) | 7.9 | — | 7.6 | — |
| Total Personal Income..... | \$364.4 | 9.7 | \$394.9 | 8.4 |
| Wages and Salaries..... | \$225.0 | 9.7 | \$243.6 | 8.3 |
| Housing Units (000) | 170 | 4.9 | 155 | —8.8 |

Alternative California Forecasts

Two alternative forecasts have been prepared for California. The high alternative reflects strong economic growth through both 1984 and 1985. The

Figure 15
California New Housing Units

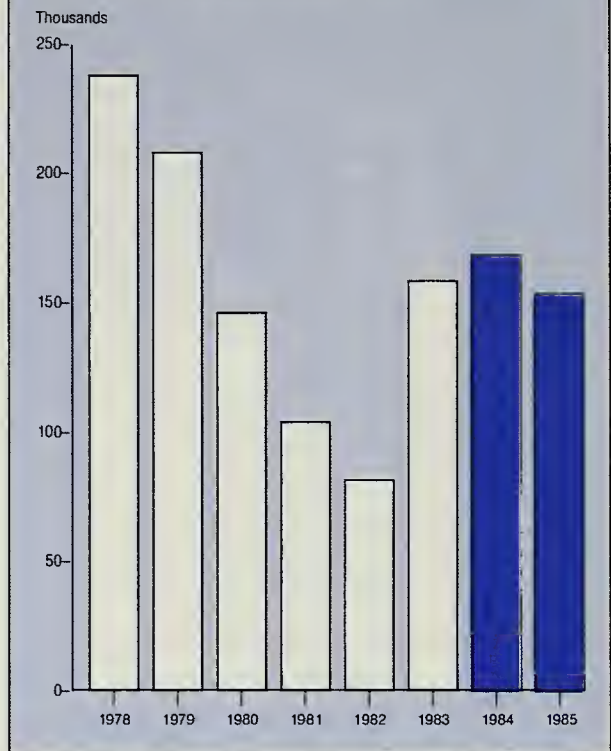
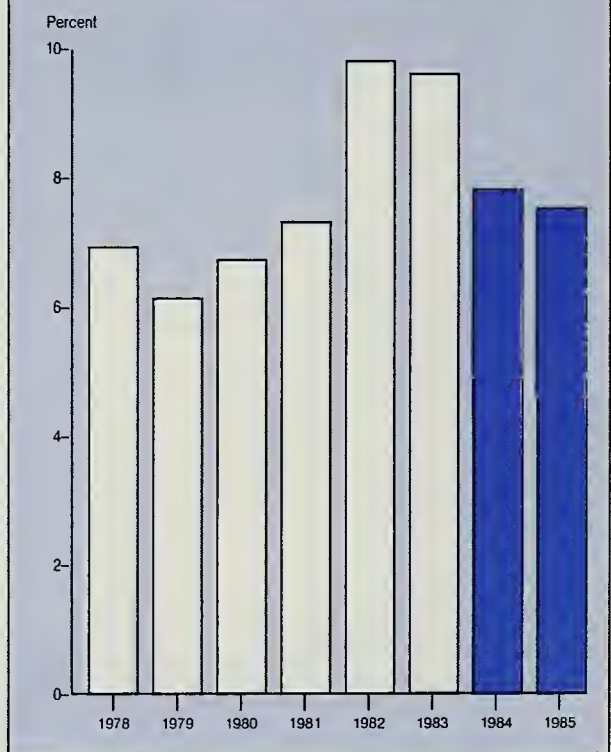


Figure 16
California Unemployment Rate



low alternative assumes only moderate growth in 1984 and a recession in 1985. Figure 17 indicates the trend in employment under the standard and alternative forecasts.

In the high forecast, the pattern and strength of employment growth approaches previous economic recoveries in California. Income increases by nearly 10 percent in both 1984 and 1985. Real income under this alternative grows by about 5 percent each year. Home building activity proceeds at the long-term historic rate of construction for this State.

The low alternative reflects the possibility of a recession beginning in late 1984, and virtually no employment increase in 1985. In fact, employment declines by 0.6 percent between the end of 1984 and the end of 1985 under this scenario. Income growth is expected to fall off in early 1985 as the recession intensifies.

The following table presents key economic indicators under each alternative. It should be noted that the high and low forecasts are not intended to show the extremes of economic

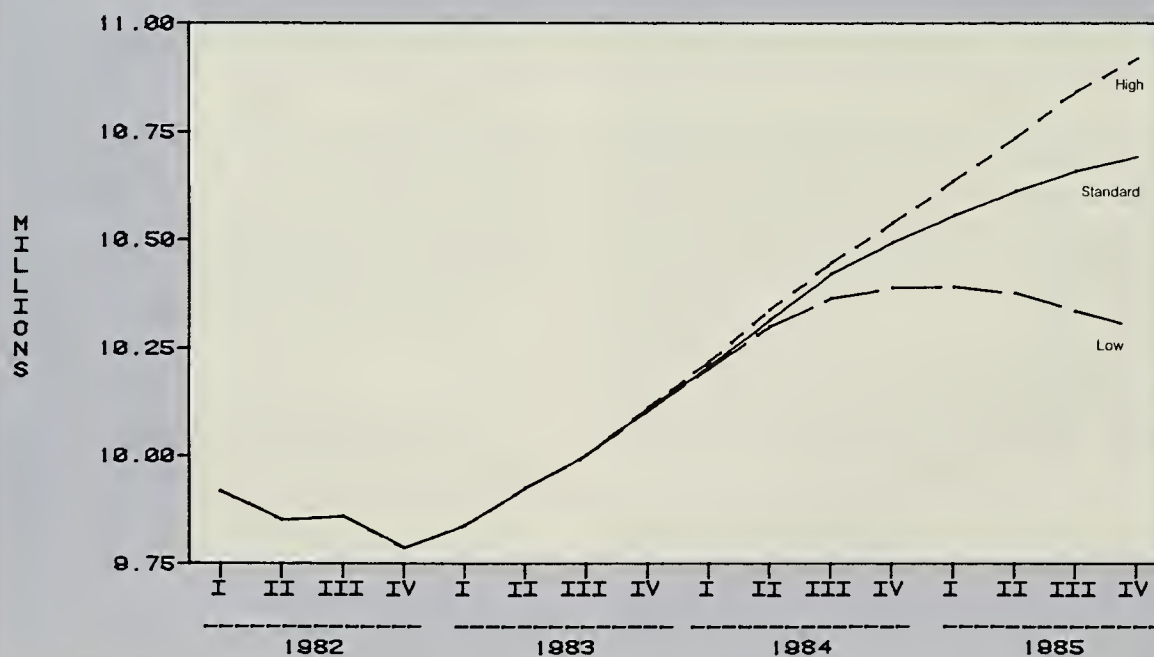
activity which are possible. Instead, they illustrate the most likely range of difference from the standard outlook.

Alternative California Economic Forecasts

(Percent changes, except as noted)

| | <i>High</i> | <i>Standard</i> | <i>Low</i> |
|------------------------------|-------------|-----------------|------------|
| Nonagricultural Employment | | | |
| 1984 | 4.2 | 3.9 | 3.5 |
| 1985 | 3.8 | 2.6 | 0.3 |
| Unemployment Rate (percent) | | | |
| 1984 | 7.8 | 7.9 | 8.1 |
| 1985 | 6.7 | 7.6 | 9.1 |
| Total Personal Income | | | |
| 1984 | 9.9 | 9.7 | 9.5 |
| 1985 | 9.6 | 8.4 | 7.0 |
| Wages and Salaries | | | |
| 1984 | 10.2 | 9.7 | 9.2 |
| 1985 | 10.0 | 8.3 | 6.0 |
| Housing Units (in thousands) | | | |
| 1984 | 185 | 170 | 150 |
| 1985 | 180 | 155 | 135 |

Figure 17
California Nonagricultural Employment
Alternative Forecasts



Selected Economic Data, 1983-85: Standard Forecast

| UNITED STATES (Dollar amount in billions) | 1983 | 1984 | | 1985 | |
|---|-------------|-----------|-------------------|-----------|-------------------|
| | (Estimated) | Amount | Percent Change | Amount | Percent Change |
| Real gross national product (1972 \$) | \$1,536.8 | \$1,623.2 | 5.6 | \$1,674.9 | 3.2 |
| Personal consumption expenditures | 1,011.4 | 1,054.9 | 4.3 | 1,086.2 | 3.0 |
| Durables..... | 155.7 | 170.5 | 9.5 | 178.7 | 4.8 |
| Gross private domestic investment | 217.0 | 253.4 | 16.7 | 267.2 | 5.5 |
| Net exports | 12.6 | 7.8 | — | 6.0 | — |
| Government purchases of goods and services .. | 295.8 | 307.1 | 3.8 | 315.5 | 2.7 |
| GNP deflator (1972 = 100) | 215.3 | 224.7 | 4.3 | 237.3 | 5.6 |
| GNP (current \$) | \$3,309.8 | \$3,647.5 | 10.2 | \$3,974.5 | 9.0 |
| Personal income..... | \$2,740.4 | \$2,993.1 | 9.2 | \$3,242.6 | 8.3 |
| Corporate profits before taxes | \$202.1 | \$257.4 | 27.3 | \$299.7 | 16.4 |
| Wage and salary employment (thous.) | 89,985 | 93,540 | 3.9 | 95,691 | 2.3 |
| Unemployment rate (%) | 9.6 | 8.1 | — | 7.7 | — |
| Housing starts (thous.) | 1,711 | 1,730 | 1.1 | 1,632 | —5.6 |
| New car sales (mill.) | 9.1 | 10.4 | 14.5 | 10.8 | 3.4 |
| Consumer price index (1967 = 100) | 298.7 | 314.7 | 5.4 | 332.6 | 5.7 |
| CALIFORNIA | | | | | |
| Civilian labor force (thous.) | 12,309 | 12,582 | 2.2 | 12,870 | 2.3 |
| Civilian employment | 11,116 | 11,591 | 4.3 | 11,897 | 2.6 |
| Unemployment | 1,193 | 991 | —16.9 | 973 | —1.8 |
| Unemployment rate (%) | 9.7 | 7.9 | — | 7.6 | — |
| Wage and salary employment (thous.) | 9,969 | 10,359 | 3.9 | 10,630 | 2.6 |
| Personal income (bill.) | \$332.1 | \$364.4 | 9.7 | \$394.9 | 8.4 |
| Housing units authorized (thous.) | 162 | 170 | 4.9 | 155 | —8.8 |
| Corporate profits before taxes (bill.) | \$28.5 | \$36.0 | 26.4 | \$42.2 | 17.0 |
| New auto registrations (thous.) | 1,010 | 1,110 | 9.9 | 1,155 | 4.1 |
| Total taxable sales (bill.) | 168.9 | 190.7 | 12.9 | 207.8 | 9.0 |

NOTE: Percentage changes calculated from unrounded data

Revenue Estimates

The State's revenue outlook has improved markedly over the past year. Economic recovery, high levels of consumer confidence, low inflation rates and a significant upturn in profits have brought about a sustained growth in revenues.

General Fund revenues, which account for 85 percent of all revenues to the State, are expected to be up 12.5 percent in 1984–85, following an 11.9 percent gain in the current year.

The most dramatic increase occurs in the bank and corporation tax, expected to rise by 32 percent. The insurance tax increase of 39 percent is attributable to legislation enacted in 1982 which moved revenues from 1983–84 into 1982–83. Sales and income taxes will also increase substantially—between 10 and 12 percent.

The revenue forecast for 1983–84 includes \$50 million attributable to the Olympics and the National Democratic Convention being held in California during the summer of 1984.

Special Fund revenues, which are related to economic conditions to a lesser extent, will rise by 9.9 percent in 1984–85. The gain is primarily attributable to a change in the distribution of revenue from State lands.

| Revenues | Revenue (in millions) | | |
|---------------------|--------------------------|------------|------------|
| | 1982–83 | 1983–84 | 1984–85 |
| General Fund | \$20,491.1 | \$22,925.0 | \$25,796.4 |
| % change | 3.0 | 11.9 | 12.5 |
| Special Funds | 3,721.2 | 4,223.2 | 4,642.4 |
| % change | 7.6 | 13.5 | 9.9 |
| Total | \$24,212.3 | \$27,148.2 | \$30,438.8 |
| % change | 3.7 | 12.1 | 12.1 |

Complete revenue data for Fiscal Years 1982–83 (actual), 1983–84 (estimated) and 1984–85 (estimated) are presented in Schedule 8.

General Fund Revenue

Personal Income Tax—\$9,860,000,000. The personal income tax is imposed on net California taxable income (gross income less exclusions and deductions) with tax rates ranging from 1 to 11 percent. Personal, dependent, and other credits are allowed against the gross tax liability. In addition, a tax on preference income is levied at one-half the regular rates. Preference income includes such items as a portion of accelerated

depreciation, and the excluded amount of capital gains income.

The personal income tax is adjusted annually for inflation so that taxpayers will not be pushed into higher tax brackets when their real income has not increased. This adjustment for inflation is known as indexing. Since its adoption in 1978, indexing has provided substantial savings to taxpayers.

Amount and Percent of Revenue Reduction Resulting from Indexing

| Fiscal Year | Amount of Income Tax Reduction (in millions) | Percent of Total Revenue Before Indexing |
|---------------|---|--|
| 1978–79 | \$220 | 4% |
| 1979–80 | 630 | 9% |
| 1980–81 | 1,720 | 21% |
| 1981–82 | 2,300 | 24% |
| 1982–83 | 2,970 | 28% |
| 1983–84 | 2,990 | 25% |
| 1984–85 | 3,850 | 28% |
| Total | \$14,680 | |

As can be seen from the above table, the tax relief provided from indexing through the budget year will amount to more than \$14 billion.

While the inflation adjustment typically reduces the tax due; the adjustment can be negative. This occurred for the first time in 1983 when the consumer price index for June recorded *deflation* of 1.2 percent from the previous year. This decline in the price level caused the inflation adjustments to lower the credits and brackets. However, no declines are expected in the forecast period.

Total personal income tax revenues attributable to income earned during 1983 are expected to grow 9.1 percent from the year earlier. This pace should pick up to 12.1 percent for 1984 as the economy continues to improve.

Chapters 323 (AB 223) and 498 (SB 813) conformed several provisions of the State income tax law to the Federal law. This will increase revenues in 1983–84 by \$249 million and increase revenues in 1984–85 by \$196 million.

Sales Tax—\$9,733,000,000. The sales tax is imposed upon retailers for the privilege of selling tangible personal property in California. Most retail sales and leases are subject to the tax. However, several major exemptions are incorporated which reduce regressivity. These include food for home

consumption; prescription drugs; and gas, electricity, and water. Other exemptions provide relief for a variety of sales ranging from candy to aircraft.

Of the 6 percent rate currently imposed:

- 4¾ percent represents the State tax rate;
- 1 percent is for cities and counties; and
- ¼ percent is for transit systems.

An additional ½ percent rate is levied by some transit districts for the support of mass transit systems.

The sales and use tax forecast is prepared by relating taxable sales by type of sale to various economic factors such as disposable personal income, housing starts, employment and savings.

Growth is strongest in those areas hardest hit by the recession—autos and building. This upturn began in the second quarter of 1983; other sectors accelerated in the third quarter.

Consumer confidence is evidenced by the fact that taxable sales relative to personal income increased in 1983 after three years of decline. While the growth in sales during this recovery

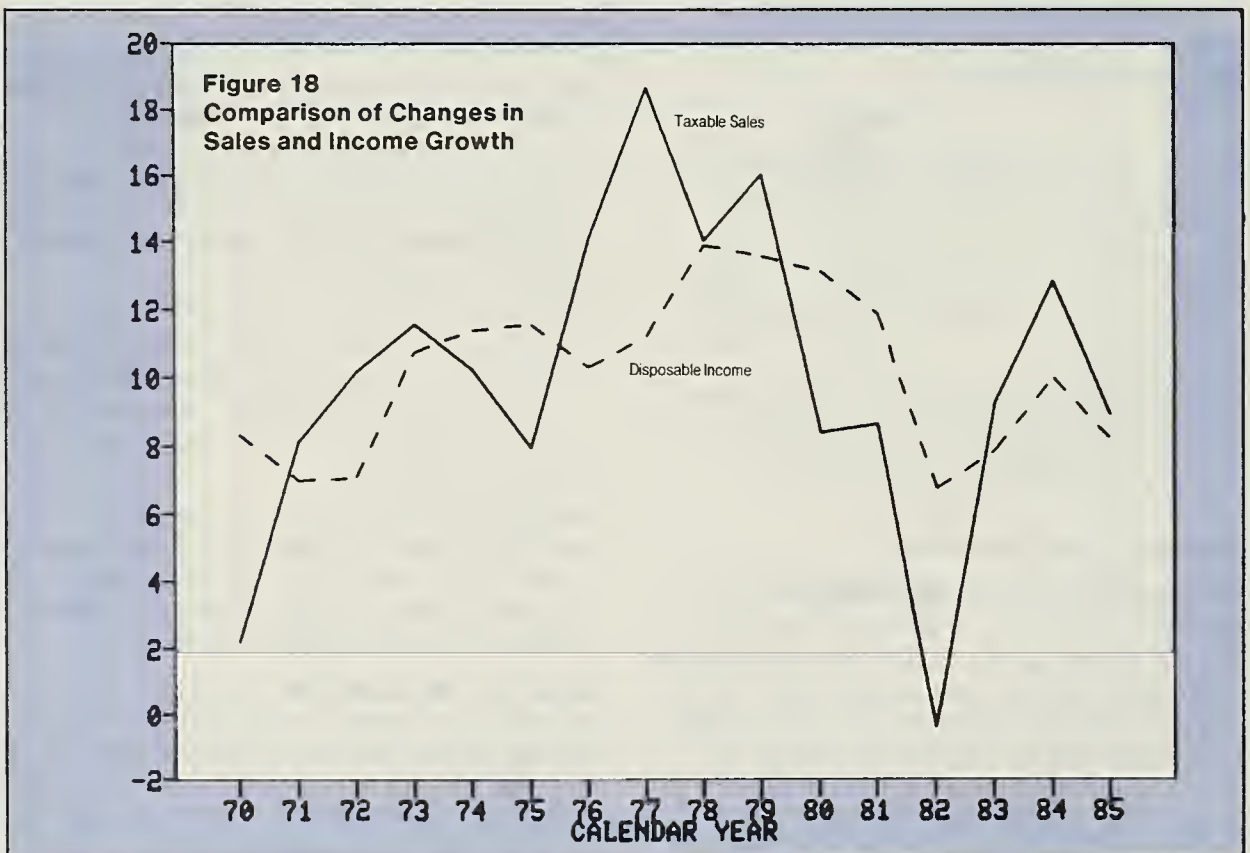
period is expected to be substantial, it will not approach the record increases that occurred during the boom of the late 1970's.

Continued economic expansion will lead to strong sales gains through 1984, with more moderate growth expected during 1985. This pattern will result in substantial revenue gains for both the 1983–84 and 1984–85 fiscal years.

Revenue is transferred from the Retail Sales Tax Fund to the Transportation Planning and Development (TP&D) Account based on a "spillover" formula.

When the gasoline exemption was repealed in 1972, the State sales tax rate was reduced ¼ percent to offset the gains from taxing gasoline. However, price increases in gasoline have caused the sales tax attributable to gasoline to exceed the revenue lost by the ¼ percent rate reduction.

Any additional revenue from taxing gasoline is transferred to the TP&D Account. The 1984–85 transfer is estimated to be \$133 million. This estimate includes a \$12 million reduction which is expected to result from the partial sales tax exemption for gasohol. It was assumed that the



TAXABLE SALES IN CALIFORNIA (in millions)

| | 1982 <i>Actual</i> | 1983 <i>Estimated</i> | 1984 <i>Estimated</i> | 1985 <i>Estimated</i> |
|--|-----------------------|--------------------------|--------------------------|--------------------------|
| Motor vehicle dealers, auto repairs and parts, etc. | \$22,922 | \$27,090 | \$31,910 | \$35,750 |
| Percent change | 2.6 | 18.2 | 17.8 | 12.0 |
| Producers and refiners of petroleum, service stations, etc. | \$16,599 | \$16,090 | \$17,330 | \$18,080 |
| Percent change | -13.2 | -3.1 | 7.7 | 4.3 |
| Building materials including contractors | \$12,522 | \$14,845 | \$17,370 | \$19,245 |
| Percent change | -10.6 | 18.6 | 17.0 | 10.8 |
| Manufacturing and services | \$28,785 | \$30,425 | \$34,065 | \$37,740 |
| Percent change | 1.6 | 5.7 | 12.0 | 10.8 |
| All other retail stores | \$73,725 | \$80,495 | \$90,030 | \$96,965 |
| Percent change | 3.3 | 9.2 | 11.8 | 7.7 |
| Total Taxable Sales | \$154,553 | \$168,945 | \$190,705 | \$207,780 |
| Percent change | -0.4 | 9.3 | 12.9 | 9.0 |

gasohol exemption will continue and that the TP&D Account will absorb the loss.

Chapter 323 (AB 223) repealed sales tax exemptions for the rental of videotapes and vending machines. This will increase revenues in 1983-84 by \$33 million and increase revenues in 1984-85 by \$44 million.

| | <i>Revenue (In millions)</i> | | |
|-------------------|----------------------------------|-----------------------------|-------------------------------|
| | 1982-83 <i>Actual</i> | 1983-84 <i>Estimated</i> | 1984-1985 <i>Estimated</i> |
| General Fund..... | \$7,643 | \$8,575 | \$9,600 |
| TP&D | 152 | 159 | 133 |
| Total..... | \$7,795 | \$8,734 | \$9,733 |

Bank and Corporation Tax—\$4,290,000,000.

Bank and corporation tax revenues are actually derived from four taxes:

- The franchise tax and the corporation income tax are levied at the same 9.6 percent rate of profits. The former is imposed on corporations doing business in California while the latter is imposed on corporations which do not do business in the State, but which derive income from California sources. These are primarily firms engaged wholly in interstate commerce and holding companies.
- Banks and other financial corporations pay an additional tax on their net income, in lieu of all State and local taxes except those on real property and motor vehicles. The rate is estimated at 1.5 percent.
- The preference tax is imposed at 2.5 percent on items of preference income: excess deductions over \$30,000 for depletion, depreciation and bad debts.

Since the tax is a function of corporate profits, the relationship of California profits to the national corporate profits forecast is important. The relationship is not precise however, because business activity in California may trend somewhat differently than for the nation. Also, State tax law defines profits differently (e.g. the treatment of certain depreciation).

Estimated Growth in National Corporate Profits and California Taxable Corporate Profits

| | <i>Annual Percent Change</i> | | |
|---------------------------------|------------------------------|-------|-------|
| | 1983 | 1984 | 1985 |
| National Corporate Profits | +16.0 | +27.3 | +16.4 |
| California Taxable Profits..... | +20.8 | +26.4 | +17.0 |

The 1983 forecast of California taxable profits is influenced by actual prepayment revenues and these indicate that California is currently experiencing strong growth. In addition, the Department conducts a survey of banks and corporations to assist in the estimate of profit growth. This survey indicated profit growth of about 19 percent for 1983.

Chapter 498 conformed various provisions of the Bank and Corporation Tax Law to Federal law. This will increase revenues in 1983-84 by \$20 million and increase revenues in 1984-85 by \$11 million.

Insurance Tax—\$615,000,000. Most insurance written is subject to a 2.33 percent gross premiums tax. The premiums tax is in lieu of all other State and local taxes except those on real property and motor vehicles. Exceptions to the 2.33 percent rate are certain pension and profit sharing plans which are taxed at 0.50 percent, surplus lines at 3 percent, and ocean marine

insurers at 5 percent of underwriting profits.

A survey conducted by the Department of Finance was used to project insurance premium growth. Responses were obtained from 145 insurance companies, accounting for 62 percent of the insurance written in California. The results indicate that taxable premiums will total \$22.5 billion in 1983 and \$24.6 billion in 1984.

The insurance tax forecast is affected by Chapter 327, Statutes of 1982 which not only reduces the gross premiums tax rate from 2.35 to 2.33 percent from 1982 through 1985, but accelerates prepayment collections starting in 1983. This measure increased revenue by \$227 million in the past year, is expected to reduce collections by \$112 million in the current year and increase revenue by \$8 million in the budget year.

Cigarette Tax—\$257,000,000. A tax of 10 cents per cigarette package is imposed on distributors selling cigarettes in this State. Thirty percent of the revenue is allocated to local governments with the remaining 70 percent going to the General Fund. Cigars and other tobacco products are not subject to a tobacco tax.

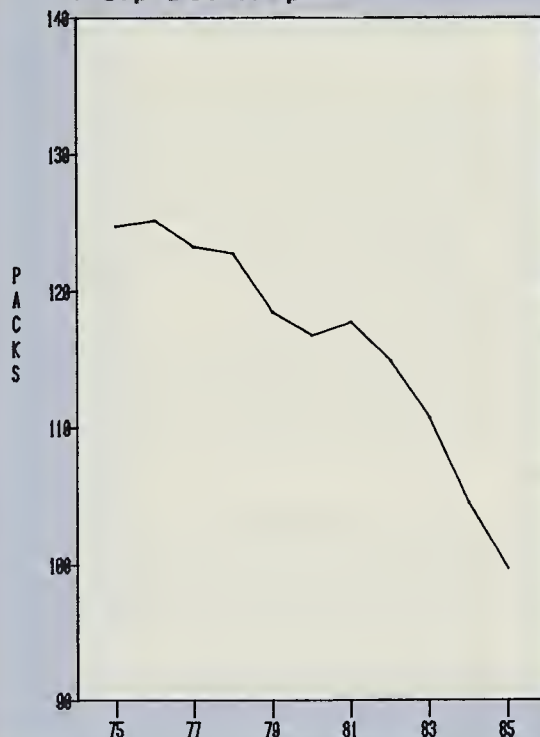
Projections of total and per capita distributions of cigarettes provide the basis for the cigarette tax estimate. Consumption has been on the decline in recent years. Per capita consumption in 1983–84 is expected to decrease 5.6 percent from 1982–83 and drop another 4.7 percent in 1984–85.

The Federal cigarette tax was increased from 8 cents to 16 cents per pack effective January 1, 1983. This accelerated the decline in cigarette consumption.

Taxable distributions of cigarettes in 1982–83 amounted to 2.72 billion packs; 2.65 billion packs are projected for 1983–84 and 2.57 billion packs for 1984–85.

| | Revenue (in thousands) | | |
|-------------------------|---------------------------|---------------------|---------------------|
| | 1982-83 Actual | 1983-84 Estimate | 1984-85 Estimate |
| General Fund..... | \$190,644 | \$185,500 | \$180,000 |
| Cigarette Tax Fund..... | 80,977 | 78,500 | 77,000 |
| Total..... | \$271,621 | \$265,000 | \$257,000 |

**Figure 19
Cigarettes
Per Capita Consumption**



Inheritance/Estate/Gift Taxes—\$186,500,000.

Proposition 6, adopted by the voters on June 8, 1982, repealed the inheritance and gift taxes and imposed a "pick-up tax", or the Federal credit for State death taxes. This "pick-up tax" is not really a tax at all, but a provision in the Federal law which allows the State to receive a portion of the revenue stemming from the Federal estate tax.

As a result, the tax revenue base is affected by the date of death of the decedent or the date a gift is made. For State tax purposes, the former inheritance and gift taxes apply to deaths and gifts prior to June 9, 1982, whereas transfers attributable to deaths on or after that date would only be subject to the Federal credit. The "pick-up tax" is computed on the basis of the Federal taxable estate. Tax rates range from 0.8 percent to 16.0 percent.

The inheritance/estate and gift revenue forecast has three parts: estate tax, inheritance tax, and gift tax. Estimates of these three components as

well as actual revenue collections are:

| | <i>Revenue (in thousands)</i> | | |
|-----------------------|-----------------------------------|------------------------------|------------------------------|
| | <i>1982-83 Actual</i> | <i>1983-84 Estimated</i> | <i>1984-85 Estimated</i> |
| Inheritance tax | \$481,287 | \$105,000 | \$45,000 |
| Estate tax | 28,260 | 120,000 | 140,000 |
| Gift tax | 8,328 | 2,500 | 1,500 |
| Total..... | \$517,876 | \$227,500 | \$186,500 |

Alcoholic Beverage Taxes—\$136,800,000. The tax on alcoholic beverages is levied on the sale of distilled spirits, beer, and wine in this State. Tax rates vary with the type of alcoholic beverage:

| | |
|-------------------------|-------------------|
| Beer..... | \$0.04 per gallon |
| Dry wine | \$0.01 per gallon |
| Sweet wine..... | \$0.02 per gallon |
| Sparkling wine..... | \$0.30 per gallon |
| Distilled spirits | \$2.00 per gallon |

Alcoholic beverage tax estimates are based on projections of total and per capita consumption for each type of beverage.

Over the last five years, total consumption of dry wine and sparkling wine has generally increased. Sweet wine, which had been on a decline, is now increasing. Beer consumption dropped for one year but is now rising. Distilled spirits are continuing the decline that began in 1981.

Apparent Per Capita Consumption (in gallons)

| | <i>1982-83 Actual</i> | <i>1983-84 Estimated</i> | <i>1984-85 Estimated</i> |
|-------------------------|---------------------------|------------------------------|------------------------------|
| | | | |
| Beer..... | 24.01 | 24.78 | 25.36 |
| Dry wine | 3.84 | 4.05 | 4.13 |
| Sweet wine..... | .34 | .34 | .34 |
| Sparkling wine..... | .36 | .42 | .44 |
| Distilled spirits | 2.18 | 2.12 | 2.06 |

Estimated revenues for the current and budget years, compared with the actual revenue for 1982-83 are:

| | <i>Revenue (in thousands)</i> | | |
|-------------------------|-----------------------------------|------------------------------|------------------------------|
| | <i>1982-83 Actual</i> | <i>1983-84 Estimated</i> | <i>1984-85 Estimated</i> |
| Beer and wine | \$27,658 | \$29,500 | \$30,700 |
| Distilled spirits | 108,520 | 107,750 | 106,100 |
| Total..... | \$136,168 | \$137,250 | \$136,800 |

Horse Racing Revenue—\$133,825,000. Horse racing revenue comes primarily from license fees imposed on the amounts wagered. The license fee revenue is based upon many factors, including

type of horse racing, the total amount wagered, the location of the track, and the type of wager. Other revenue sources include breakage (the odd cents not paid to winning ticket holders), unclaimed parimutuel tickets, occupational license fees, fines, and penalties.

A special license fee is being assessed during the current year. Any association conducting a racing meeting between August 1, 1983 and July 1, 1984 must pay an additional license fee equal to 1 percent of total exotic wagers. (Exotic wagers include exactas, daily doubles, pick six, and other special wagers.) This special license fee is expected to generate \$8 million in 1983-84.

The following table provides information on total parimutuel pools and receipts from horse racing:

| | <i>Revenue (in thousands)</i> | | |
|--------------------------|-----------------------------------|------------------------------|------------------------------|
| | <i>1982-83 Actual</i> | <i>1983-84 Estimated</i> | <i>1984-85 Estimated</i> |
| Total parimutuel pools.. | \$2,053,000 | \$2,147,000 | \$2,222,000 |
| Receipts: | | | |
| Parimutuel license fees | \$113,219 | \$126,248 | \$122,485 |
| Breakage | 7,400 | 7,700 | 8,100 |
| Other revenue | 2,779 | 2,880 | 3,240 |
| Total | \$123,398 | \$136,828 | \$133,825 |

Alternative Estimates

Revenue estimates are subject to changes in the economy. If the recovery now in progress does not continue as forecast, General Fund revenues in 1984-85 could be \$1.67 billion below the estimate. On the other hand, a more rapid recovery could lead to revenues \$1.7 billion above the forecast.

The following table compares the 1983-84 and 1984-85 General Fund Budget estimate of major taxes and licenses with high and low alternative estimates:

| | <i>(In millions)</i> | | |
|---------------|-----------------------------|----------------------------|----------------------------|
| | <i>High Alternative</i> | <i>Budget Estimate</i> | <i>Low Alternative</i> |
| 1983-84 | \$23,525 | \$22,925 | \$22,370 |
| 1984-85 | \$27,496 | \$25,796 | \$24,126 |

Special Fund Revenue

The California Constitution, codes and statutes specify the uses of certain revenue. Such receipts are accounted for in various special funds. In

general, Special Fund revenues comprise three categories of income:

- Receipts from tax levies which are allocated to specified functions, such as motor vehicle taxes and fees.
- Charges for special services to specific functions, including such items as business and professions license fees.
- Rental royalties and other receipts earmarked for particular purposes, illustrated by oil and gas royalties.

Motor vehicle related taxes and fees account for 70 percent of all Special Fund revenue. Principal sources of this income are motor vehicle fuel taxes, registration and weight fees, and vehicle license fees. During the 1984–85 fiscal year, \$3.2 billion will be derived from the ownership or operation of motor vehicles. Approximately \$1.7 billion of this revenue will be returned to local governments. The remainder will be available for various State programs related to transportation and services to vehicle owners.

Thirty percent of cigarette tax revenue is deposited in a special fund for distribution to cities and counties. In 1984–85 receipts for this fund are estimated at \$77 million.

Motor Vehicle Fees—\$2,134,400,000. Motor vehicle fees consist of vehicle license, registration, weight, and drivers' license fees, and various other charges related to vehicle operation.

The vehicle license fee is imposed for the privilege of operating a vehicle on the public highways in California. It is calculated on the vehicle's "market value"—the cost to the purchaser exclusive of sales tax, adjusted by a depreciation schedule. For motor vehicles, the schedule is based on a 10-year depreciation period; an 18-year depreciation period is used for trailer coaches. A rate of 2 percent is applied to the depreciated value to determine the fee. Revenue from this source is thus contingent on the number of vehicles in the State, the age distribution of those vehicles, and their original base price.

Registration fees are levied at a flat rate on all motor vehicles, trailers, semi-trailers and certain types of dollies. Truck and trailer owners also pay weight fees.

New vehicles sales (autos, trucks, trailers and motorcycles) in California totaled 1,199,229 in 1982 and are estimated to be 1,411,000 units in 1983. In 1984 and 1985 sales are expected to reach

1,570,000 and 1,645,000 units, respectively.

Allowing for scrappage and vehicles entering and leaving the State, total fee-paid registrations at year-end are estimated at 19,543,000 for 1983, 20,048,000 for 1984 and 20,535,000 for 1985.

Chapter 541 of 1981 (SB 215), which implemented substantial fee increases related to vehicle operation beginning in 1982, increases weight fees by an additional 10 percent in January 1985. Chapter 323 of 1983 (AB 223) replaced manufacturer's suggested base price with cost price for determining "market value" of new motor vehicles. This measure also based the vehicle license fee on a 10-year rather than a nine-year depreciation schedule. The combined effect of these measures will increase revenue by an estimated \$135 million in the current year and \$225 million in the budget year.

Total revenues from motor vehicle fees, including the effects of legislative changes, are:

| | <i>Revenue (in thousands)</i> | | |
|--|-----------------------------------|------------------------------|------------------------------|
| | <i>1982-83 Actual</i> | <i>1983-84 Estimated</i> | <i>1984-85 Estimated</i> |
| Registration, Weight, & Other Fees | \$835,401 | \$868,000 | \$910,000 |
| Vehicle License Fees | 789,335 | 1,029,000 | 1,224,400 |
| Total | \$1,624,736 | \$1,897,000 | \$2,134,400 |

Motor Vehicle Fuel Taxes—\$1,097,000,000. The motor vehicle fuel license tax and the use fuel (diesel) tax provide the major sources of funds for maintaining, replacing, and constructing State highway and transportation facilities.

The motor vehicle fuel license tax (gas tax) is imposed on the distribution of gasoline and other flammable liquids. Distributions of diesel fuel, liquid petroleum gas (LPG) and kerosene are not included under this tax. The current tax rate for motor vehicle fuel is 9 cents per gallon; aircraft jet fuel is taxed at 2 cents per gallon.

The use fuel tax is imposed on diesel fuel, LPG, and natural gas for use on State highways. The current tax rates are 9 cents per gallon of motor vehicle fuel, 7 cents per 100 cubic feet of compressed natural gas, and 6 cents per gallon of LPG or liquid natural gas. In addition, a person may elect to pay a flat rate fuel tax based on vehicle weight in lieu of the tax on LPG. Local

transit systems and certain common carriers pay 1 cent per gallon.

Gasoline tax revenues are estimated on the basis of average gasoline consumption per vehicle and total vehicle registrations. Consumption per vehicle in 1982–83 amounted to 570 gallons and is projected at 557 gallons for 1983–84 and 545 gallons for 1984–85.

Highway consumption of diesel fuel is estimated by projecting the trend of past distributions with adjustments to reflect changes in the economy. Consumption of diesel fuel is expected to increase 11.0 percent in 1983–84 and to rise by 6.2 percent in 1984–85.

Chapter 541 of 1981 (SB 215) increased the motor vehicle and diesel fuel tax rates from 7 cents to 9 cents per gallon effective January 1983. Chapter 323 of 1983 (AB 223) accelerated the payment of fuel tax revenues, and is expected to result in a one-time revenue increase in 1983–84. The combined impact of these measures increased revenue by about \$83 million in 1982–83, and is expected to increase revenue collections by \$325 million in 1983–84 and \$240 million in 1984–85.

| | <i>1982-83 Actual</i> | <i>1983-84 Estimated</i> | <i>1984-85 Estimated</i> |
|----------------|----------------------------------|-------------------------------------|-------------------------------------|
| Gasoline | \$835,401 | \$1,046,000 | \$970,000 |
| Use Fuel | 93,232 | 128,000 | 127,000 |
| Totals..... | \$928,633 | \$1,174,000 | \$1,097,000 |

Property tax growth is estimated using a biannual (November and April) survey of assessors, requesting estimates of their county's assessed value (AV) growth for the next fiscal year, including a 2 percent inflation factor. The estimates submitted indicate a statewide 1984–85 AV growth of 8.0 percent. Based on the experience of the surveys for the last three years, a factor of 1.5 percent has been added to the AV estimate. The estimated AV growth for 1984–85 is, therefore, 9.5 percent.

Redevelopment agencies are funded through tax increment: revenue generated above the base value in the redevelopment project area goes to the redevelopment agency. Since these funds are diverted from other jurisdictions, it is necessary to adjust the AV growth estimate to reflect this loss. Although redevelopment agencies receive approximately 4 percent of the property tax, they account for 7 percent of the AV growth. This translates into a loss of approximately 1 percent of the AV growth for other jurisdictions. The estimated growth of property tax for 1984–85 is, therefore, 8.5 percent.

Property Tax Growth

The Constitution limits the property tax rate to 1 percent plus an amount for debt approved by the voters prior to June 1978. An inflation factor, not to exceed 2 percent, may be applied to the assessed value of property that has not been newly constructed or changed ownership.

Proceeds from the 1 percent rate are allocated to local jurisdictions. On a statewide basis, the distribution is approximately as follows:

| | |
|--|-------|
| Counties | 35.4% |
| K-12 School Districts | 32.0% |
| Cities | 15.1% |
| Special Districts (includes Redevelopment) | 12.5% |
| Community Colleges | 5.0% |

K-12 districts receive an estimated \$2.4 billion in local property tax. Every 1 percent increase in property tax revenue results in General Fund savings for K-12 apportionments of about \$23 million.

Summary of State Tax Collections
(Excludes Departmental, Interest and Miscellaneous Revenue)

| | <i>Per Capita Personal income^a</i> | <i>State Tax Collections (millions)</i> | | <i>Taxes per Capita</i> | | <i>Taxes per \$100 of Personal Income</i> | |
|---------------|---|---|--------------|-------------------------|--------------|---|--------------|
| | | <i>General Fund</i> | <i>Total</i> | <i>General Fund</i> | <i>Total</i> | <i>General Fund</i> | <i>Total</i> |
| 1967-68 | \$3,689 | \$3,558 | \$4,676 | \$185.53 | \$243.85 | \$5.03 | \$6.61 |
| 1968-69 | 3,987 | 3,963 | 5,173 | 203.92 | 266.19 | 5.12 | 6.69 |
| 1969-70 | 4,282 | 4,126 | 5,409 | 208.94 | 273.94 | 4.89 | 6.41 |
| 1970-71 | 4,510 | 4,290 | 5,599 | 214.10 | 279.39 | 4.75 | 6.20 |
| 1971-72 | 4,701 | 5,213 | 6,599 | 256.20 | 324.32 | 5.45 | 6.90 |
| 1972-73 | 5,062 | 5,758 | 7,229 | 279.73 | 351.19 | 5.53 | 6.94 |
| 1973-74 | 5,496 | 6,379 | 7,877 | 305.71 | 377.47 | 5.56 | 6.87 |
| 1974-75 | 6,052 | 8,045 | 9,574 | 379.96 | 452.20 | 6.28 | 7.47 |
| 1975-76 | 6,549 | 9,069 | 10,710 | 421.08 | 497.29 | 6.43 | 7.59 |
| 1976-77 | 7,155 | 10,781 | 12,525 | 413.44 | 571.00 | 6.87 | 7.98 |
| 1977-78 | 7,863 | 12,952 | 14,826 | 579.49 | 663.37 | 7.37 | 8.44 |
| 1978-79 | 8,786 | 14,188 | 16,201 | 621.20 | 709.37 | 7.07 | 8.07 |
| 1979-80 | 9,859 | 16,860 | 19,057 | 725.01 | 819.50 | 7.35 | 8.31 |
| 1980-81 | 10,920 | 17,808 | 20,000 | 749.15 | 841.36 | 6.86 | 7.70 |
| 1981-82 | 12,064 | 19,109 | 21,556 | 789.25 | 890.31 | 6.54 | 7.38 |
| 1982-83 | 12,567 | 19,579 | 22,375 | 794.99 | 908.52 | 6.30 | 7.20 |
| 1983-84 | 13,254 | 21,875 | 25,204 | 872.97 | 1,005.83 | 6.59 | 7.59 |
| 1984-85 | 14,303 | 24,982 | 28,444 | 980.42 | 1,116.28 | 6.86 | 7.81 |

^a Calendar year. Personal income for 1967 related to 1967-68 fiscal year.

Comparative Yield of State Taxes, 1967-68 through 1984-85
(in thousands)

| <i>Year Ending June 30</i> | <i>Sales and Use</i> | <i>Personal Income</i> | <i>Bank and Corporation¹</i> | <i>Cig- arette</i> | <i>Estate Inheritance and Gift²</i> | <i>Insur- ance</i> | <i>Distilled Spirits</i> | <i>Horse Racing</i> | <i>Beer and Wine</i> | <i>Motor Vehicle Fuel³</i> | <i>Motor Vehicle Fees⁴</i> |
|--------------------------------|--------------------------|----------------------------|---|------------------------|--|------------------------|------------------------------|-------------------------|--------------------------|---|---|
| 1968 | \$1,464,927 | \$952,487 | \$576,874 | \$219,272 | \$135,554 | \$121,155 | \$81,700 | \$54,799 | \$13,196 | \$580,487 | \$437,918 |
| 1969 | 1,652,979 | 1,101,691 | 592,303 | 237,328 | 158,815 | 130,312 | 85,494 | 59,839 | 14,118 | 625,667 | 469,655 |
| 1970 | 1,753,611 | 1,152,053 | 587,013 | 236,878 | 164,299 | 136,733 | 89,793 | 58,244 | 16,115 | 668,537 | 498,992 |
| 1971 | 1,808,052 | 1,264,383 | 532,091 | 239,721 | 185,699 | 158,423 | 90,765 | 64,601 | 15,791 | 674,635 | 513,201 |
| 1972 | 2,015,993 | 1,785,618 | 662,522 | 247,424 | 220,192 | 170,179 | 94,717 | 69,380 | 17,374 | 712,426 | 547,844 |
| 1973 | 2,198,523 | 1,884,058 | 866,117 | 253,602 | 260,119 | 179,674 | 96,907 | 72,693 | 17,977 | 746,196 | 596,922 |
| 1974 | 2,675,738 | 1,831,964 | 1,057,191 | 258,921 | 231,934 | 201,697 | 100,554 | 78,289 | 18,758 | 742,702 | 644,448 |
| 1975 | 3,376,153 | 2,581,584 | 1,253,673 | 261,975 | 242,627 | 202,991 | 100,856 | 86,637 | 19,893 | 752,234 | 664,453 |
| 1976 | 3,742,524 | 3,089,963 | 1,286,515 | 268,610 | 316,648 | 241,224 | 104,697 | 96,117 | 20,616 | 766,555 | 749,936 |
| 1977 | 4,313,909 | 3,761,356 | 1,641,500 | 269,384 | 367,964 | 322,476 | 105,275 | 102,702 | 22,210 | 810,321 | 807,782 |
| 1978 | 5,030,438 | 4,667,887 | 2,082,208 | 273,658 | 365,092 | 387,560 | 109,088 | 111,591 | 22,972 | 850,181 | 924,411 |
| 1979 | 5,780,919 | 4,761,571 | 2,381,223 | 268,816 | 416,955 | 420,184 | 114,922 | 113,253 | 25,137 | 896,591 | 1,021,857 |
| 1980 | 6,623,521 | 6,506,015 | 2,510,039 | 290,043 | 465,611 | 446,228 | 112,757 | 127,635 | 26,183 | 852,751 | 1,096,640 |
| 1981 | 7,131,429 | 6,628,694 | 2,730,624 | 278,161 | 530,180 | 460,926 | 115,191 | 129,779 | 27,669 | 839,995 | 1,127,293 |
| 1982 | 7,689,023 | 7,493,005 | 2,648,735 | 276,824 | 495,251 | 484,196 | 111,151 | 123,626 | 28,372 | 833,347 | 1,372,556 |
| 1983 | 7,795,488 | 7,712,691 | 2,536,011 | 271,621 | 517,875 | 736,929 | 108,519 | 123,398 | 27,690 | 928,633 | 1,624,736 |
| 1984 † | 8,734,032 | 8,950,000 | 3,240,000 | 265,000 | 227,500 | 442,000 | 107,750 | 136,828 | 29,500 | 1,174,000 | 1,897,000 |
| 1985 † | 9,733,000 | 9,860,000 | 4,290,000 | 257,000 | 186,500 | 615,000 | 106,100 | 133,825 | 30,700 | 1,097,000 | 2,134,400 |

¹ Includes the corporation income tax.

² Proposition 6 repealed the inheritance and gift taxes and imposed an estate tax equal to the maximum allowable Federal estate tax credit, effective for decedents dying on or after June 9, 1982.

³ Motor vehicle fuel tax (gasoline), use fuel tax (diesel) and liquefied petroleum gas.

⁴ Registration and weight fees, motor vehicle license fees and other fees.

† Estimated.

OUTLINE OF STATE TAX SYSTEM AS OF JANUARY 1, 1984

| <i>Major Taxes and Fees</i> | <i>Base or Measure</i> | <i>Rate</i> | <i>Administering Agency</i> | <i>Fund</i> |
|--|--|-------------|------------------------------------|--|
| Alcoholic Beverage Excises: | | | | |
| Beer | Gallon | \$0.04 | Equalization (1) .. | General |
| Distilled spirits..... | Gallon | 2.00 | Equalization | General |
| Wine: | | | | |
| Dry | Gallon | .01 | Equalization | General |
| Sweet | Gallon | .02 | Equalization | General |
| Sparkling | Gallon | .30 | Equalization | General |
| Sparkling hard cider | Gallon | .02 | Equalization | General |
| Bank and Corporation: | | | | |
| General corporations | Net income..... | 9.6% (2) | Franchise (3) | General |
| Banks and financial corporations | Net income..... | 12.0% Max. | Franchise | General |
| Cigarette..... | Package | \$0.10 (4) | Equalization | Cigarette Tax Fund (5) |
| Energy Resources Surcharge | Kilowatt hours | \$0.0002 | Equalization | Energy Resources Surcharge Fund |
| Horse Racing License | Amt. wagered | 1.0-12.78-% | Horse Racing Board | Fair and Expo. (6), Wildlife Restoration and General |
| | Breakage | 0-100% | | |
| Estate | Taxable Federal estate | 0.8-16% | Controller | General |
| Insurance | Gross Premiums | 2.33% (7) | Insurance Dept..... | General |
| Liquor license fees..... | Type of license | Various | Alcohol Beverage Control Dept..... | General |
| Motor Vehicle: | | | | |
| Vehicle license fees | Market value | 2% | Motor Vehicle Dept. | Motor Vehicle License Fee (8) |
| Fuel—gasoline | Gallon | \$0.09 | Equalization | Motor Vehicle Fuel (9) |
| Fuel—diesel..... | Gallon | .09 | Equalization | Motor Vehicle Fuel |
| Registration fees..... | Vehicle | \$23.00 | Motor Vehicle Dept. | Motor Veh. (10) |
| Weight fees | Unladen weight | Various | Motor Vehicle Dept. | State Highway (11) |
| Personal Income..... | Taxable income..... | 1-11% | Franchise | General |
| Preference Income: | | | | |
| Bank and corporation | Preference income over \$30,000 | 2.5% | Franchise | General |
| Personal | Preference income over \$4,000 (single), \$8,000 (joint, head of household, or surviving spouse) | 0.5-5.5% | Franchise | General |
| Private Railroad Car | Valuation..... | (12) | Equalization | General |
| Retail Sales and Use | Receipts from sales or lease of taxable items.... | 4.75% | Equalization | General and State Transportation Fund |

(1) State Board of Equalization.

(2) Minimum Tax \$200 per year.

(3) Franchise Tax Board.

(4) This tax is levied at the rate of 5 mills per cigarette.

(5) 30 percent of the cigarette tax is remitted to local jurisdictions.

(6) For support of county fairs and other activities.

(7) Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. Special rates also apply to certain pension and profit sharing plans and surplus lines.

(8) For return to cities and counties.

(9) For administrative expenses and apportionment to State, counties and cities for highways, airports and small craft harbors.

(10) For support of State Department of Motor Vehicles, California Highway Patrol, other agencies and motor vehicle related programs.

(11) State Department of Motor Vehicles administrative expense.

(12) Average property tax rate in the State during preceding year.

Federal Grants

The Governor's Budget proposes the appropriation of \$13.6 billion in Federal funds. Federal funds transferred to State agencies are, for the most part, passed-through to local entities to implement earmarked programs.

Pass-through allocations are made based on caseload, pursuant to formulas or as discretionary grants for specific projects which have been reviewed and approved for funding. The State is generally responsible for providing direction and technical assistance, ensuring compliance with Federal and State requirements, and distributing funds to local agencies.

Major program areas receiving 1984-85 Federal pass-through funding in California are education, health and welfare, and transportation:

- Department of Education pass-through Federal funding proposed for 1984-85 is \$888.8 million. K-12 pass-through money supports such programs as the Education Consolidation and Improvement Act, Chapter 1 programs, elementary and secondary education, education for the handicapped, and child nutrition programs.
- Federal pass-through funding to California's health and welfare programs include an estimated \$1.96 billion for the medical assistance program for low-income persons (Medi-Cal), \$1.51 billion for the Aid to Families with Dependent Children program, \$44.3 million to nutrition programs for the elderly, and \$159.5 million to In-Home Supportive Services.
- Pass-through funding for local transportation programs totals \$335 million to finance mass transit and road repairs and to make operational and safety improvements.

In addition to pass-through funds, the State receives federal money directly to administer and implement certain Federal programs. Major programs in this funding category include transportation programs and projects which will be funded at \$975 million (Federal fund) in 1984-85. The University of California budget includes \$1.9 billion in Federal funds, most of which finance research projects under contracts with the Federal Department of Energy. Additionally, several health and welfare programs receive significant amounts of Federal funds.

Description of Key Schedules

The Budget includes summary information in various schedules. The following schedules are those which may be the most useful for the public, private sector, or other levels of government. With the exceptions of Schedule 1 and Schedule 4B, these Schedules represent schedules and tables which have been renumbered from presentations in previous Governor's Budgets. The previous numbers are noted in parentheses.

SCHEDULE 1. *General Budget*

Summary—Provides for a fund condition statement for the General Fund and the total of the Special funds plus expenditure totals for the Selected Bond funds.

SCHEDULE 2. *Total State Spending Plan*

(Formerly Schedule 1C)—Provides in a single schedule the State's total spending plan. In addition to the General Fund, Special funds, and Selected Bond funds, expenditures from Nongovernmental Cost funds and Federal funds are shown.

SCHEDULE 3. *Comparison of California Current and Recommended Fund Structures using 1984–85 Budget Totals*

(Formerly Schedule 1D)—Provides a comparison of budget data using generally accepted accounting principles.

SCHEDULE 4. *Personnel Years and Salary Cost Estimates*

(Formerly Table 1)—Provides position and personnel year data and corresponding dollar amounts by functional breakdown and position classifications. This schedule reflects net data after salary savings.

SCHEDULE 4A. *Positions and Salary Cost Estimates*

(Formerly Table 1A)—Provides position and personnel year data and corresponding dollar amounts by functional breakdown and position classifications. This schedule reflects gross data before salary savings.

SCHEDULE 4B. *Personnel Years and Salary Costs*

—Provides expended personnel years and salary costs for fiscal years 1980–81, 1981–82, and 1982–83.

SCHEDULE 5. *Summary of State Population, Employees, and Expenditures*

(Formerly Table 2)—Provides historical data of state population, employees and expenditures.

SCHEDULE 6. *General Fund Balances Available for Appropriation*

(Formerly Schedule 1A)—Provides a comparison of the 1982–83 and 1983–84 General Fund amounts presented in the 1984–85 Governor's Budget to the amounts presented for those years in the 1983–84 Governor's Budget.

SCHEDULE 7. *General Fund: Statement of Financial Condition*

(Formerly Schedule 1B)—Provides the financial condition of the General Fund as of June 30, 1983 from the most recently available information from the State Controller.

SCHEDULE 8. *Comparative Statement of Revenues*

(Formerly Schedule 2)—Provides General Fund and Special fund revenue detailed amounts within three main breakdowns of: (1) major taxes and licenses, (2) other revenues, and (3) transfers.

SCHEDULE 9. *Comparative Statement of Expenditures*

(Formerly Schedule 3)—Provides a listing of expenditures in the order of printing of individual budgets from the General Fund, Special funds, Selected Bond funds and Federal funds for state operations, local assistance and capital outlay.

SCHEDULE 10. *Summary of Fund Condition Statements*

(Formerly Schedule 4)—Provides for the General Fund and each Special fund the beginning reserve, income, expenditures, transfers, and ending reserve for each of the three fiscal years displayed in the Governor's Budget.

SCHEDULE 11. *Statement of Cash and Securities*

(Formerly Schedule 5)—Provides a listing of cash, securities and amounts due from the Surplus Money Investment Fund for all funds maintained in the State Treasury.

SCHEDULE 12. *Comparative Statement of Expenditures as Required by Law*

(Formerly Schedule 6)—Provides a listing of expenditures authorized by constitutional or statutory appropriation authority. Unless otherwise specified in law, all continuous appropriations for encumbrance will sunset June 30, 1984 pursuant to Section 45.1, Chapter 323, Statutes of 1983. This schedule reflects, among other things, those expenditures included in the Governor's Budget which are proposed on the basis of on-going statutory appropriations. Section 30.00 of the 1984 Budget Bill includes proposed exemptions from sunset, where required, for these appropriations in accordance with the criteria specified in Section 151.4 of Chapter 323, Statutes of 1983.

SCHEDULE 13. *Statement of Bonded Debt*

(Formerly Schedule 7)—Provides a listing of all general obligation bonds as of December 31, 1983 including interest rates, maturity dates, authorized amount of bond issues, unsold issues, redemptions, and outstanding issues.

Description of Fund Classifications in the State Treasury

Revenues and expenditures in the program budget and the summary schedules reflect the activities of many separate funds. Schedules 10 and 11 provide a complete list of these funds. The Index lists those funds for which Fund Conditions are included in the budget and references the page number. General Fund and Special Fund expenditures represent the cost of government and are included in budget totals; and along with selected Bond Funds, are included in the overall expenditure totals. The State of California started in 1981-82 to change classification of funds in the state treasury to conform to Generally Accepted Accounting Principles as set forth by the National Council on Governmental Accounting. Schedule 3 in the A-Pages includes a description of these changes and shows their effect on the 1984-85 budget totals.

GENERAL FUND—Used to account for all revenues and activities financed therefrom which are not required by law to be accounted by any other fund. Most state expenditures are financed from the General Fund. Normally, the only difference between the General Fund and the other governmental costs funds is the restriction placed on the use of the other governmental cost funds.

SPECIAL FUNDS—Consists of governmental cost funds used to account for taxes and revenues which are restricted by law for particular functions or activities of government. The funds included in these classifications are primarily for the regulation of businesses, professions and vocations; transportation; law enforcement and capital outlay.

General Fund Special Account—Legislatively created accounts or dedicated revenues within the General Fund. Moneys credited to such accounts may be used only for the purposes specified in the legislation. As a result of Chapter 942, Statutes of 1977, these special accounts are treated as special funds and revenues and expenditures are included in the special funds totals in the summary schedules of the budget. They are therefore excluded from the General Fund unrestricted revenues, expenditures and reserves.

OTHER FUNDS—See Schedule 11 for a list of funds which do not represent a cost of government. Expenditures from these funds are not included in the budget totals. They consist of moneys which were derived from sources other than general or special taxes, licenses, fees or other state revenues. Included are receipts from the Federal Government, funds created for accounting purposes, receipts from sale of lands, or moneys held in trust. These funds are segregated into the following classifications:

Working Capital and Revolving Funds—Funds created to finance internal service activities rendered by a state agency to other state agencies or to local governments for which charges are made at cost. The charges are reflected as expenditures in the budget of the agency receiving the commodity or service.

Public Service Enterprise Funds—Self supporting activities operated by the State for the benefit of the public. Funds are derived from charges to those who use the service and no support is derived from taxes, licenses or other state revenues.

Bond Funds—Used to account for the receipt and disbursement of proceeds from the sale of bonds and to finance projects for which the bonds were authorized. Expenditures are considered a cost of government at the time interest payments are made and as the bonds are redeemed.

Retirement Funds—Moneys held in trust by the State for retirement benefit payments.

Trust and Agency Funds—Funds holding moneys in trust pending disbursements to trustors, moneys received from the Federal Government to be expended for specific purposes, and other funds which do not derive their sources from taxes or other state revenues, or are in the nature of transitory funds created for the convenience of accounting receipts or disbursements which are not necessarily revenues or expenditures.

SELECTED BOND FUNDS—Included in the overall expenditures totals of Schedules 1 and 9 for budget purposes are expenditures from the following funds:

- Bond Proceeds Account, State School Building Lease-Purchase Fund.
- County Jail Capital Expenditure Fund.
- Health Science Facilities Construction Program Fund.
- Recreation and Fish and Wildlife Enhancement Fund.
- State Beach, Park, Recreational and Historical Facilities Fund (of 1964).
- State Beach, Park, Recreational and Historical Facilities Fund (of 1974).
- State Clean Water Fund.
- State Clean Water and Water Conservation Fund.
- State Construction Program Fund.
- California Safe Drinking Water Fund.
- State, Urban, and Coastal Park Fund (Bond Act of 1976).
- Parklands Fund of 1980.
- New Prison Construction Funds.

Schedule 1
GENERAL BUDGET SUMMARY °
(In thousands)

| <i>1982-83</i> | <i>Reference to Schedule</i> | <i>General Fund</i> | <i>Special Funds ^d</i> | <i>Budget Expenditure Totals</i> | <i>Selected Bond Fund Expenditures</i> | <i>Expenditure Totals Including Bonds</i> |
|---|--------------------------------------|-------------------------|---------------------------------------|--|--|---|
| Prior year resources available | 10 | — \$3,076 | \$713,126 | | | |
| Revenues and transfers | 8 | 21,233,191 | 3,057,872 | | | |
| Expenditures | 9 | 21,751,413 | 3,180,044 | \$24,931,457 | \$398,521 | \$25,329,978 |
| Fund Balance | 7 | — \$521,298 | \$590,954 | | | |
| Unencumbered balance of continuing appropriations | 7 | 69,503 ^b | 216,216 | | | |
| Reserve for Economic Uncertainties | 7 | — ^c | 374,738 | | | |
| Deficit | 7 | — 590,801 | — | | | |
| <i>1983-84</i> | | | | | | |
| Prior year resources available | 7 | — \$521,298 | \$590,954 | | | |
| Revenues and transfers | 8 | 23,367,646 | 3,791,993 | | | |
| Expenditures | 9 | 22,641,162 | 3,769,274 | \$26,410,436 | \$824,434 | \$27,234,870 |
| Fund Balance | | \$205,186 | \$613,673 | | | |
| Unencumbered balance of continuing appropriations | 10 | 4,963 | 155,564 | | | |
| Reserve for Economic Uncertainties | 10 | 200,223 ^c | 458,109 | | | |
| <i>1984-85</i> | | | | | | |
| Prior year resources available | 10 | \$205,186 | \$613,673 | | | |
| Revenues and transfers | 8 | 25,825,471 | 4,618,562 | | | |
| Expenditures | 9 | 25,076,449 | 4,781,356 | \$29,857,805 | \$414,826 | \$30,272,631 |
| Fund Balance | 10 | \$954,208 | \$450,879 | | | |
| Unencumbered balance of continuing appropriations | 10 | 3,504 | 104,877 | | | |
| Reserve for Economic Uncertainties | 10 | 950,704 ^c | 346,002 | | | |

^a The General Budget Summary includes the revenues and expenditures of all state funds that reflect the cost of State government and selected bond fund expenditures. The transactions involving other nongovernmental cost funds are excluded.

^b The \$69.5 million is the amount reported by departments for inclusion in the Governor's Budget. Preliminary estimates received from the State Controller's Office as of January 5, 1984, however, reflect \$87.1 million for continuing appropriations. The Department of Finance and the State Controller are reconciling the differences. Any adjustments to the estimates reflected in the Governor's Budget will be included in the May 1984 revise.

^c The Reserve for Economic Uncertainties provides a source of funds to meet State General Fund obligations in the event of a decline in revenues or an unanticipated increase in expenditures. Included in this amount is the \$100 million reserve for Los Angeles County Medical Assistance Grant Account pursuant to Chapter 1594, Statutes of 1982.

^d Amounts included in this schedule for expenditures may not agree with those shown in Schedules 9 and 12 due to rounding.

TOTAL STATE SPENDING PLAN

Schedule 2 is included for informational purposes to show in one place the State's total spending plan. It provides a means of comparing the total State resources used on a year-to-year basis. In addition to the General Fund, Special Funds and Selected Bond Funds, Schedule 2 shows expenditures from nongovernmental cost funds and Federal funds. The latter two groupings have not traditionally been included as part of State summary expenditures in Governors' budgets.

A basic premise in such a consolidation as this is that the State is the financial unit and individual funds are subsidiary units to the State. This is similar to financial units in the private sector in which diversified commercial corporations with several subsidiaries report their operation on a consolidated basis—but is a contrast to traditional governmental accounting, which has held that the individual funds are the financial units and should not be consolidated with other funds or types of funds.

The consolidation in Schedule 2 presents some theoretical and practical problems. From a theoretical standpoint, it combines all funds and gives the illusion that spending occurs in the same manner regardless of fund. This is not the case: the General Fund, Special Funds and Bond Funds are accounted for on a modified accrual basis; the Public Service Enterprise Funds, Working Capital and Revolving Funds, Retirement Funds and Trust and Agency Funds are accounted for on an accrual basis; and the Health Care Deposit Fund and General Fund appropriations to Medi-Cal are accounted for on a cash basis.

This combination also may give the illusion that total State spending is authorized and controlled through the annual budget process. This is not the case. Each fund is created for a specific purpose and its spending is dictated based on the provision of the Constitution or Statute under which it was created. In essence, each fund is a separate fiscal and legal entity that operates under the specific legal provisions that created it. Many expenditures from funds are authorized by the Constitution or other statutes besides the Budget Act.

From a practical standpoint, Schedule 2 is only an approximation. For example, it includes some duplicate amounts and does not include reimbursements. Some duplications are spending from the Department of General Services' Service Revolving Fund, which are also included in spending of departments, and from Workers' Compensation, Unemployment Insurance and Nondisability Insurance Benefits, which have been previously collected from State agencies. Another duplication is the expenditure amounts from bond proceeds, which are included both when bond proceeds are spent and when debt service is paid.

Schedule 2 does not include reimbursements received from the public or other levels of government, as these are deducted from State expenditures.

Schedule 2 displays funds in terms of traditional fund classifications. Schedule 3 shows how traditional fund classifications relate to the classifications based on Generally Accepted Accounting principles.

Schedule 2 Total State Spending Plan Governmental Cost, Nongovernmental Cost and Federal Funds (In thousands)

| <i>Funds</i> | <i>1982-83*</i> | <i>1983-84*</i> | <i>1984-85*</i> |
|---|---------------------|---------------------|---------------------|
| Governmental Cost Funds: | | | |
| General Fund | \$21,751,413 | \$22,641,162 | \$25,076,449 |
| Special Funds | 3,180,048 | 3,769,276 | 4,781,355 |
| Totals, Governmental Cost Funds | \$24,931,461 | \$26,410,438 | \$29,857,804 |
| Selected Bond Funds | 398,521 | 824,434 | 414,826 |
| Totals, Governmental Cost Funds and Selected Bond Funds | \$25,329,982 | \$27,234,872 | \$30,272,630 |
| Federal Funds | \$12,254,745 | \$13,655,746 | \$13,642,172 |
| Nongovernmental Cost Funds: | | | |
| Public Service Enterprise Funds | \$2,219,856 | \$3,096,357 | \$2,620,309 |
| Working Capital and Revolving Funds | 311,425 | 376,441 | 398,162 |
| Bond Funds—Other | 200,967 | 202,390 | 203,737 |
| Retirement Funds | 36,691 | 2,313,272 | 42,722 |
| Other Nongovernmental Cost Funds | 1,960,706 | 2,389,251 | 2,296,575 |
| Totals, Nongovernmental Cost Funds | \$4,729,645 | \$8,377,711 | \$5,561,505 |
| TOTALS, SPENDING, ALL FUNDS | \$42,314,372 | \$49,268,329 | \$49,476,307 |
| Less Nongovernmental Cost Funds | —4,729,645 | —8,377,711 | —5,561,505 |
| NET TOTALS, SPENDING, ALL FUNDS | \$37,584,727 | \$40,890,618 | \$43,914,802 |

The following provides supplemental detail for the significant funds and amounts which comprise the various categories of Nongovernmental Cost Funds:

(in thousands)

| <i>Funds</i> | <i>1982-83*</i> | <i>1983-84*</i> | <i>1984-85*</i> |
|---|-----------------|-----------------|-----------------|
| PUBLIC SERVICE ENTERPRISE FUNDS: | | | |
| Water Resources Development Bond Fund..... | \$164,616 | \$219,276 | \$216,874 |
| Central Valley Water Project Const Fund..... | 259,926 | 550,684 | 158,112 |
| Central Valley Water Project Revenue Fund | 35,146 | 63,169 | 114,450 |
| Compensation Insurance Fund | 75,067 | 316,303 | 83,000 |
| Harbors and Watercraft Revolving Fund | 23,782 | 26,952 | 25,217 |
| Univ & College Cont Educ Revenue Fund, St | 29,260 | 23,912 | 27,013 |
| Unemployment Compensation Disability Fund..... | 872,980 | 937,704 | 1,031,046 |
| Veterans Farm & Home Building Fund 1943 | 713,617 | 831,895 | 854,483 |
| Others | 45,462 | 126,462 | 110,114 |
| Totals, Public Service Enterprise Funds..... | \$2,219,856 | \$3,096,357 | \$2,620,309 |
| WORKING CAPITAL AND REVOLVING FUNDS: | | | |
| Architecture Revolving Fund | \$9,124 | \$9,677 | \$9,935 |
| Health and Welfare Agency Data Cent Rev Fund..... | 21,567 | 23,060 | 24,604 |
| Service Revolving Fund | 189,756 | 219,355 | 231,488 |
| Stephen P. Teale Data Center Rev Fund..... | 33,338 | 39,514 | 44,182 |
| Others | 57,640 | 84,835 | 87,953 |
| Totals, Working Capital and Revolving Funds..... | \$311,425 | \$376,441 | \$398,162 |
| BOND FUNDS—OTHER: | | | |
| Public School Building Loan Fund..... | \$2,956 | \$3,257 | \$3,550 |
| School Building Aid Fund, State | 197,933 | 199,010 | 200,059 |
| Others | 78 | 123 | 128 |
| Totals, Bond Funds—Other..... | \$200,967 | \$202,390 | \$203,737 |
| RETIREMENT FUNDS: | | | |
| Judges' Retirement Fund | — | \$27,391 | \$189 |
| Legislators' Retirement Fund | \$3,113 | 3,254 | 3,471 |
| Public Employees' Retirement Fund | 22,658 | 1,369,748 | 25,827 |
| Teachers' Retirement Fund | 10,920 | 912,879 | 13,235 |
| Totals, Retirement Funds..... | \$36,691 | \$2,313,272 | \$42,722 |
| OTHER NONGOVERNMENTAL COST FUNDS: | | | |
| County Funds | \$100 | — | — |
| University Funds..... | 1,481,098 | \$1,743,338 | \$1,736,845 |
| Others | 479,508 | 645,913 | 559,730 |
| Totals, Other Nongovernmental Cost Funds..... | \$1,960,706 | \$2,389,251 | \$2,296,575 |

ADOPTION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

With the implementation of the California Fiscal Information System (CFIS), the State of California is committed to the adoption of Generally Accepted Accounting Principles (GAAP). The National Council on Governmental Accounting (NCGA), the Financial Accounting Standards Board and the Council of State Governments are all active in defining GAAP and recommend that state governments adhere to the principles they set forth. The California Fiscal Advisory Board has approved conformance with GAAP as set forth by the NCGA in California beginning in 1981-82 with the following exceptions:

1. General Fund transfers to other funds will continue to be shown as expenditures of the General Fund.
2. Reimbursements will continue to include monies that come from non-State sources, such as from local government or the private sector.
3. The Health Care Deposit Fund will continue to be accounted on a cash basis.

GAAP represents uniform minimum standards and guidelines for financial accounting and reporting. The goal of GAAP is to standardize the accounting and financial reporting of governmental organizations—regardless of jurisdictional legal provisions and customs.

This standardization assures that financial reports of all State and local governments contain the same types of financial statements and disclosures for the same categories and types of funds and account groups, based on the same measurement and classification criteria. It also allows the users of governmental fiscal reports to gain a better understanding of the government's financial condition and facilitates the comparison of operations from year to year within each fund, as well as with the operations of other funds or governmental organizations.

Another important aspect of GAAP as applied to governments is recognition of the variety of legal and contractual considerations typical of the government environment. These considerations underlie and are reflected in the fund structure, basis of accounting, and other principles.

Governmental accounting systems designed in conformity with these principles can readily satisfy most management control and accountability information needs with respect to both GAAP and legal compliance reporting.

Along with other changes in fiscal reporting being implemented by CFIS, some of California's governmental cost funds and many nongovernmental cost funds will be reclassified to conform with GAAP. Schedule 3, based on an assessment of GAAP classifications and using 1984-85 budget totals, shows how California's current fund classifications will translate into GAAP classifications.

SCHEDULE 3 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES COMPARISON OF CALIFORNIA CURRENT FUND STRUCTURE AND RECOMMENDED FUND STRUCTURE USING 1984-85 BUDGET TOTALS (In Thousands)

| | FUND STRUCTURE BASED ON NCGA CLASSIFICATIONS | | | | | | | | | Totals |
|---|--|-----------------------|------------------------|--------------------------|-------------------|------------------------|------------------|------------------------|--------------|--------------|
| | Governmental Funds | | | | Proprietary Funds | | Fiduciary Funds | | Unclassified | |
| | General Fund | Special Revenue Funds | Capital Projects Funds | Total Governmental Funds | Enterprise Funds | Internal Service Funds | Retirement Funds | Trust and Agency Funds | | |
| CURRENT FUND STRUCTURE | | | | | | | | | | |
| Governmental Cost Funds | | | | | | | | | | |
| General Fund..... | \$25,076,449 | - | - | \$25,076,449 | - | - | - | - | - | \$25,076,449 |
| General Fund Special Accounts | - | \$253,139 | - | 253,139 | - | \$6,124 | - | \$33,623 | - | 292,886 |
| Transportation Funds..... | - | 1,749,739 | - | 1,749,739 | - | - | - | 1,753,595 | - | 3,503,334 |
| Feeder Funds..... | - | - | - | - | - | - | - | 77,000 | - | 77,000 |
| Other Governmental Cost Funds | - | 763,719 | \$114,024 | 877,743 | - | - | - | 30,392 | - | 908,135 |
| Total Governmental Cost Funds..... | \$25,076,449 | \$2,766,597 | \$114,024 | \$27,957,070 | - | \$6,124 | - | \$1,894,610 | - | \$29,857,804 |
| Selected Bond Funds..... | - | - | \$242,090 | \$242,090 | - | - | - | \$172,736 | - | \$414,826 |
| Total Governmental Cost Funds and Selected Bond Funds | \$25,076,449 | \$2,766,597 | \$356,114 | \$28,199,160 | - | \$6,124 | - | \$2,067,346 | - | \$30,272,630 |
| Nongovernmental Cost Funds | | | | | | | | | | |
| Public Service Enterprise Funds | - | - | \$3,129 | \$3,129 | \$1,531,134 | - | - | \$1,086,046 | - | \$2,620,309 |
| Working Capital and Revolving Funds | - | \$9,606 | 9,935 | 19,541 | 2,491 | \$372,557 | - | 3,573 | - | 398,162 |
| Bond Funds—Other | - | - | 128 | 128 | - | - | - | 203,609 | - | 203,737 |
| Trust and Agency Funds: | | | | | | | | | | |
| Retirement Funds..... | - | - | - | - | - | - | \$42,722 | - | - | 42,722 |
| Trust and Agency Funds—Other | - | 26 | - | 26 | 11,738 | - | - | 91,467 | - | 103,231 |
| Trust and Agency Funds—Federal | - | 5,772,237 | - | 5,772,237 | - | - | - | 5,637,501 | \$2,232,434 | 13,642,172 |
| Other Nongovernmental Cost Funds | - | - | - | - | - | - | - | - | 2,193,344 | 2,193,344 |
| Total Nongovernmental Cost Funds | - | \$5,781,869 | \$13,192 | \$5,795,061 | \$1,545,363 | \$372,557 | \$42,722 | \$7,022,196 | \$4,425,778 | \$19,203,677 |
| TOTAL SPENDING, ALL FUNDS..... | \$25,076,449 | \$8,548,466 | \$369,306 | \$33,994,221 | \$1,545,363 | \$378,681 | \$42,722 | \$9,089,542 | \$4,425,778 | \$49,476,307 |
| TOTALS, GAAP FUNDS | \$25,076,449 | \$8,548,466 | \$369,306 | \$33,994,221 | \$1,545,363 | \$378,681 | \$42,722 | \$9,089,542 | - | \$45,050,529 |

SCHEDULE 4

PERSONNEL YEARS AND SALARY COST ESTIMATES (Excludes Staff Benefits)

| FUNCTION | 1983-84 Fiscal Year | | 1984-85 Fiscal Year | |
|--|---------------------|---------------------------|---------------------|---------------------------|
| | Personnel years | Net salaries and wages | Personnel years | Net salaries and wages |
| Legislative/Judicial/Executive: | | | | |
| Legislative | 431.5 | \$11,631,943 | 431.5 | \$12,435,413 |
| Judicial | 1,293.3 | 65,094,000 | 1,328.3 | 68,659,000 |
| Executive | 8,087.4 | 190,497,442 | 8,051.6 | 200,556,789 |
| State and Consumer Services | 12,177.6 | 251,182,281 | 12,102.3 | 262,463,691 |
| Business, Transportation and Housing | 33,699.3 | 798,613,647 | 33,086.5 | 831,177,319 |
| Resources | 14,293.6 | 339,853,339 | 13,758.3 | 345,469,034 |
| Health and Welfare | 41,372.7 | 890,544,120 | 39,592.8 | 902,749,344 |
| Youth and Adult Correctional | 17,878.3 | 422,933,933 | 18,035.3 | 480,309,214 |
| Education: | | | | |
| Education | 2,737.7 | 63,882,720 | 2,691.9 | 66,053,750 |
| Higher Education | 92,924.7 | 2,320,554,148 | 91,075.9 | 2,362,994,048 |
| General Government: | | | | |
| General Administration | 9,523.9 | 222,098,199 | 9,385.3 | 229,527,225 |
| Unallocated salary increase | - | 96,849,000 | - | 444,885,000 |
| NET TOTALS | 234,420.0 | \$5,673,734,772 | 229,539.7 | \$6,207,279,827 |
| POSITION CLASSIFICATION | | | | |
| Constitutional officers | 127.0 | \$3,987,100 | 127.0 | \$4,412,100 |
| Statutory | 230.0 | 14,409,482 | 230.0 | 14,434,078 |
| Civil service | 138,838.4 | 3,142,607,269 | 135,774.2 | 3,281,320,017 |
| Superior court judges—part salary | 657.0 | 41,818,000 | 657.0 | 43,474,000 |
| Exempt—Other | 2,151.9 | 65,021,580 | 2,179.0 | 67,965,083 |
| Exempt—Higher Education: | | | | |
| University of California | 56,272.0 | 1,415,224,000 | 55,156.0 | 1,434,558,000 |
| Auxiliary facilities—University of California | 2,594.0 | 47,579,000 | 2,594.0 | 47,579,000 |
| Hastings College of Law | 213.4 | 6,048,341 | 207.1 | 6,680,549 |
| State University and Colleges | 31,492.4 | 812,348,000 | 30,772.3 | 830,887,000 |
| Auxiliary State University and College Facili- ties | 1,843.1 | 27,843,000 | 1,843.1 | 31,085,000 |
| Unallocated salary increase | - | 96,849,000 | - | 444,885,000 |
| NET TOTALS | 234,420.0 | \$5,673,734,772 | 229,539.7 | \$6,207,279,827 |

SCHEDULE 4A

POSITIONS AND SALARY COST ESTIMATES (Excludes Staff Benefits)

| Function | 1983-84 Fiscal Year | | 1984-85 Fiscal Year | |
|--|----------------------------------|--------------------------|---------------------------------|--------------------------|
| | Estimated Positions ¹ | Total Salaries and Wages | Proposed Positions ¹ | Total Salaries and Wages |
| Legislative/Judicial/Executive: | | | | |
| Legislative | 432.8 | \$11,765,943 | 432.8 | \$12,572,413 |
| Judicial | 1,322.0 | 67,065,000 | 1,357.5 | 70,444,000 |
| Executive | 8,482.0 | 199,732,442 | 8,448.2 | 209,864,789 |
| State and Consumer Services | 12,643.5 | 261,206,281 | 12,601.9 | 273,498,691 |
| Business, Transportation and Housing | 35,109.1 | 832,092,647 | 34,547.6 | 870,387,319 |
| Resources | 14,767.5 | 351,412,339 | 14,337.6 | 355,345,034 |
| Health and Welfare | 43,597.3 | 940,231,120 | 41,707.9 | 952,338,344 |
| Youth and Adult Correctional | 18,433.6 | 433,112,933 | 19,276.7 | 494,145,214 |
| Education: | | | | |
| Education | 2,831.7 | 67,200,720 | 2,781.7 | 69,204,750 |
| Higher Education | 94,618.2 | 2,349,583,148 | 93,118.6 | 2,409,186,048 |
| General Government: | | | | |
| General Administration | 9,914.0 | 232,428,199 | 9,837.9 | 241,208,225 |
| Unallocated Salary Increase | .0 | 96,849,000 | .0 | 444,885,000 |
| Totals | 242,151.7 | \$5,842,679,772 | 238,448.4 | \$6,403,079,827 |
| Less Salary Savings | - 7,731.7 | - 168,945,000 | - 8,908.7 | - 195,800,000 |
| NET TOTALS | 234,420.0 | \$5,673,734,772 | 229,539.7 | \$6,207,279,827 |

¹ As shown in departmental budgets as "Totals, Salaries and Wages."

SCHEDULE 4B

PERSONNEL YEARS AND SALARY COSTS (Excludes Staff Benefits)

| FUNCTION | <i>1980-81 Fiscal Year</i> | | <i>1981-82 Fiscal Year</i> | | <i>1982-83 Fiscal Year</i> | |
|--|----------------------------|-----------------------------------|----------------------------|-----------------------------------|----------------------------|-----------------------------------|
| | <i>Personnel years</i> | <i>Net salaries and wages</i> | <i>Personnel years</i> | <i>Net salaries and wages</i> | <i>Personnel years</i> | <i>Net salaries and wages</i> |
| Legislative/Judicial/Executive: | | | | | | |
| Legislative | 332.6 | \$9,079,916 | 351.1 | \$9,921,642 | 384.9 | \$11,049,582 |
| Judicial..... | 1,083.7 | 43,959,000 | 1,090.1 | 48,188,000 | 1,166.6 | 55,049,000 |
| Executive..... | 7,716.0 | 171,237,257 | 7,977.1 | 182,079,110 | 7,738.4 | 180,749,719 |
| State and Consumer Services | 11,023.2 | 215,284,574 | 11,325.3 | 227,140,096 | 11,378.2 | 231,089,896 |
| Business, Transportation and Housing | 31,955.0 | 705,866,076 | 31,859.4 | 730,383,217 | 32,181.5 | 743,074,439 |
| Resources | 13,889.2 | 308,583,851 | 14,373.0 | 323,465,505 | 14,141.0 | 326,043,102 |
| Health and Welfare | 43,320.7 | 862,339,329 | 41,589.7 | 864,394,070 | 40,931.0 | 857,122,406 |
| Youth and Adult Correctional | 13,118.3 | 326,623,864 | 13,934.6 | 354,209,764 | 14,673.7 | 373,572,320 |
| Education: | | | | | | |
| Education | 2,746.5 | 62,101,985 | 2,796.1 | 64,517,835 | 2,666.0 | 62,370,767 |
| Higher Education | 91,629.8 | 2,024,515,900 | 93,988.5 | 2,153,808,630 | 94,188.0 | 2,193,246,205 |
| General Government: | | | | | | |
| General Administration..... | 8,752.4 | 193,834,308 | 9,528.5 | 216,057,429 | 9,040.0 | 209,325,561 |
| NET TOTALS | 225,567.4 | \$4,923,426,060 | 228,813.4 | \$5,174,165,298 | 228,489.3 | \$5,242,692,997 |

SCHEDULE 5
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES

| Year | Population ¹ (Thousands) | Employees | Employees Per 1,000 Population | Personal Income (Billions) | Revenue | | Expenditures | | Expenditures per Capita | | Expenditures per 100 of Personal Income | |
|---------------|--|-----------|--------------------------------------|----------------------------------|-------------------------------|---------------------|--|----------------------------------|------------------------------|--------------------|--|--------------------|
| | | | | | General Fund (Millions) | Total (Millions) | General Fund ² (Millions) | Total ³ (Millions) | General Fund ² | Total ³ | General Fund ² | Total ³ |
| 1950-51 | 10,643 | 61,000 | 5.7 | \$19.7 | \$672 | \$994 | \$587 | \$1,006 | \$55.15 | \$94.52 | \$2.98 | \$5.11 |
| 1951-52 | 11,130 | 63,860 | 5.7 | 22.7 | 734 | 1,086 | 635 | 1,068 | 57.05 | 95.96 | 2.80 | 4.70 |
| 1952-53 | 11,638 | 65,720 | 5.6 | 25.2 | 774 | 1,151 | 714 | 1,177 | 61.35 | 101.13 | 2.83 | 4.67 |
| 1953-54 | 12,101 | 69,928 | 5.8 | 27.0 | 798 | 1,271 | 809 | 1,381 | 66.85 | 114.12 | 3.00 | 5.11 |
| 1954-55 | 12,517 | 74,099 | 5.9 | 27.7 | 879 | 1,434 | 852 | 1,422 | 68.07 | 113.61 | 3.08 | 5.13 |
| 1955-56 | 13,004 | 77,676 | 6.0 | 30.5 | 1,005 | 1,578 | 923 | 1,533 | 70.98 | 117.89 | 3.03 | 5.03 |
| 1956-57 | 13,581 | 88,299 | 6.5 | 33.4 | 1,079 | 1,834 | 1,030 | 1,732 | 75.84 | 127.53 | 3.08 | 5.19 |
| 1957-58 | 14,177 | 98,015 | 6.9 | 35.8 | 1,111 | 1,751 | 1,147 | 1,939 | 80.91 | 136.77 | 3.20 | 5.42 |
| 1958-59 | 14,741 | 101,982 | 6.9 | 37.5 | 1,210 | 1,925 | 1,246 | 2,066 | 84.53 | 140.15 | 3.32 | 5.51 |
| 1959-60 | 15,288 | 108,423 | 7.1 | 41.1 | 1,491 | 2,198 | 1,435 | 2,140 | 93.86 | 139.98 | 3.49 | 5.21 |
| 1960-61 | 15,863 | 115,737 | 7.3 | 43.3 | 1,598 | 2,338 | 1,678 | 2,525 | 105.78 | 159.18 | 3.88 | 5.83 |
| 1961-62 | 16,412 | 122,339 | 7.5 | 45.7 | 1,728 | 2,451 | 1,697 | 2,488 | 103.40 | 151.60 | 3.71 | 5.44 |
| 1962-63 | 16,951 | 128,981 | 7.6 | 49.1 | 1,866 | 2,668 | 1,881 | 2,808 | 110.97 | 165.65 | 3.83 | 5.72 |
| 1963-64 | 17,530 | 134,721 | 7.7 | 52.5 | 2,137 | 3,057 | 2,064 | 3,182 | 117.74 | 181.52 | 3.93 | 6.06 |
| 1964-65 | 18,026 | 143,896 | 8.0 | 56.8 | 2,245 | 3,295 | 2,345 | 3,652 | 130.09 | 202.60 | 4.13 | 6.43 |
| 1965-66 | 18,464 | 151,199 | 8.2 | 60.7 | 2,509 | 3,581 | 2,580 | 4,059 | 139.73 | 219.83 | 4.25 | 6.69 |
| 1966-67 | 18,831 | 158,404 | 8.4 | 65.9 | 2,895 | 4,073 | 3,017 | 4,659 | 160.21 | 247.41 | 4.58 | 7.07 |
| 1967-68 | 19,175 | 162,677 | 8.5 | 70.7 | 3,682 | 4,927 | 3,273 | 5,014 | 170.69 | 261.49 | 4.63 | 7.09 |
| 1968-69 | 19,432 | 171,655 | 8.8 | 77.3 | 4,136 | 5,450 | 3,909 | 5,673 | 201.16 | 291.94 | 5.06 | 7.34 |
| 1969-70 | 19,745 | 179,583 | 9.1 | 84.4 | 4,330 | 5,743 | 4,456 | 6,302 | 225.68 | 319.17 | 5.28 | 7.47 |
| 1970-71 | 20,039 | 181,581 | 9.1 | 90.3 | 4,534 | 5,919 | 4,854 | 6,556 | 242.23 | 327.16 | 5.38 | 7.26 |
| 1971-72 | 20,346 | 181,912 | 8.9 | 95.7 | 5,395 | 6,897 | 5,027 | 6,684 | 247.08 | 328.52 | 5.25 | 6.98 |
| 1972-73 | 20,585 | 188,460 | 9.2 | 104.2 | 5,780 | 7,366 | 5,616 | 7,422 | 272.82 | 360.55 | 5.39 | 7.12 |
| 1973-74 | 20,868 | 192,918 | 9.2 | 114.7 | 6,978 | 8,715 | 7,299 | 9,311 | 349.77 | 446.19 | 6.36 | 8.12 |
| 1974-75 | 21,173 | 203,548 | 9.6 | 128.1 | 8,630 | 10,405 | 8,349 | 10,276 | 394.32 | 485.34 | 6.52 | 8.02 |
| 1975-76 | 21,537 | 206,361 | 9.6 | 141.0 | 9,639 | 11,567 | 9,518 | 11,452 | 441.94 | 531.74 | 6.75 | 8.12 |
| 1976-77 | 21,935 | 213,795 | 9.7 | 156.9 | 11,381 | 13,463 | 10,467 | 12,632 | 477.18 | 575.88 | 6.67 | 8.05 |
| 1977-78 | 22,350 | 221,251 | 9.9 | 175.7 | 13,695 | 15,962 | 11,686 | 14,003 | 522.86 | 626.53 | 6.65 | 7.97 |
| 1978-79 | 22,839 | 218,530 | 9.6 | 200.7 | 15,219 | 17,711 | 16,251 | 18,745 | 711.55 | 820.75 | 8.10 | 9.34 |
| 1979-80 | 23,255 | 220,193 | 9.5 | 229.3 | 17,985 | 20,919 | 18,534 | 21,488 | 796.99 | 924.02 | 8.08 | 9.37 |
| 1980-81 | 23,771 | 225,567 | 9.5 | 259.6 | 19,023 | 22,104 | 21,105 | 24,511 | 887.85 | 1,031.13 | 8.13 | 9.44 |
| 1981-82 | 24,212 | 228,813 | 9.5 | 292.1 | 20,960 | 23,601 | 21,693 | 25,022 | 895.96 | 1,033.45 | 7.43 | 8.57 |
| 1982-83 | 24,628 | 228,489 | 9.3 | 310.7 | 21,233 | 24,291 | 22,057 | 26,191 | 895.61 | 1,063.46 | 7.10 | 8.43 |

¹ Population as of July 1, the beginning of the fiscal year.

² Includes Special Accounts in General Fund beginning 1976-77.

³ Expenditures include payments from General Fund, Special Funds and Selected Bond Funds beginning in 1957-58.

Schedule 6
GENERAL FUND
BALANCES AVAILABLE FOR APPROPRIATION JUNE 30, 1984
RECONCILIATION OF THE CHANGES FROM THE PREVIOUS GOVERNOR'S BUDGET
(In Thousands)

| | <i>1983-84 Governor's Budget (previous estimate)</i> | <i>1984-85 Governor's Budget (revised estimate)</i> | <i>Changes to Balance Available</i> |
|--|--|---|---|
| <i>1982-83 Fiscal Year</i> | | | |
| <i>(From previous Governor's Budget to the current Governor's Budget)</i> | | | |
| Revenues and Transfers: | | | |
| Revenues..... | \$20,049,592 | \$20,491,071 | \$441,479 |
| Transfers..... | 440,059 | 742,120 | 302,061 |
| Totals, Revenues and Transfers..... | \$20,489,651 | \$21,233,191 | \$743,540 |
| Expenditures: | | | |
| State Operations | \$4,697,551 | \$4,556,389 | 141,162 |
| Capital Outlay | 2,149 | -97 | 2,246 |
| Local Assistance | 17,357,230 | 17,195,121 | 162,109 |
| Totals, Expenditures | \$22,056,930 | \$21,751,413 | \$305,517 |
| Prior year resources available:..... | \$116,421 | -\$3,076 | -\$119,497 |
| Anticipated Legislative Actions..... | \$1,456,747 | - | -\$1,456,747 |
| <i>1983-84 Fiscal Year</i> | | | |
| <i>(From previous Governor's Budget to the current Governor's Budget)</i> | | | |
| Revenues and Transfers: | | | |
| Revenues..... | \$22,109,462 | \$22,925,025 | \$815,563 |
| Transfers..... | 369,901 | 442,621 | 72,720 |
| Totals, Revenues and Transfers..... | \$22,479,363 | \$23,367,646 | \$888,283 |
| Expenditures: | | | |
| State Operations | \$4,856,223 | \$4,729,126 | \$127,097 |
| Capital Outlay | - | 1,106 | - 1,106 |
| Local Assistance | 17,020,742 | 17,730,930 | - 710,188 |
| Unclassified | -200,000 | 180,000 | - 380,000 |
| Totals, Expenditures | \$21,676,965 | \$22,641,162 | -\$964,197 |
| Changes to Reserves: | | | |
| Reserve for Economic Uncertainties..... | \$650,000 | \$200,223 | \$449,777 |
| Reserve for unencumbered balances of continuing appropriations | 3,470 | 4,963 | - 1,493 |
| Reserve for Future Legislation | \$150,000 | - | \$150,000 |
| EFFECT OF REVISED ESTIMATES AS REPORTED IN THE 1984-85 GOVERNOR'S BUDGET | | | -\$4,817 |
| BALANCE AVAILABLE, June 30, 1984, as estimated in the 1983-84 Governor's Budget..... | | | \$4,817 |
| BALANCE AVAILABLE, June 30, 1984, as estimated in the 1984-85 Governor's Budget..... | | | - |

Schedule 7
GENERAL FUND
(In thousands)
STATEMENT OF FINANCIAL CONDITION
June 30, 1983

| | | <i>General Fund Balances</i> | |
|--|--|----------------------------------|----------------------------------|
| ASSETS | | | |
| Cash: | | | |
| In State Treasury | | | |
| In Agency Accounts | | \$122,849 | |
| Total | | <u>\$122,849</u> | |
| Accounts Receivable: | | | |
| Abatements | | \$9,703 | |
| Reimbursements | | 85,119 | |
| Revenues | | 52,234 | |
| Other | | 79,994 | |
| Less: Provision for deferred receivables | | <u>- 105,928</u> | |
| Less: Allowance for uncollectible accounts | | - 2 | |
| Total | | <u>\$121,120</u> | |
| Due From Other Funds and Appropriations | | \$811,993 | |
| Due From Other Governments | | 11,567 | |
| Loans and Advances | | 83,556 | |
| Prepaid Expenses | | 83,887 | |
| Deferred Charges | | 224 | |
| Other Assets | | 26 | |
| TOTAL OPERATING ASSETS | | <u>\$1,235,222</u> | |
| | | | |
| LIABILITIES | | | <i>General Fund Balances</i> |
| Accounts payable | | | \$453,191 |
| Due to other funds | | | 1,078,487 |
| Due to Federal government | | | 24,070 |
| Due to local governments | | | 143,804 |
| Due to other government entities | | | 356 |
| Advance collections | | | 20,679 |
| Deposits | | | 241 |
| Other liabilities | | | <u>35,452</u> |
| Total | | | <u>\$1,756,520</u> |
| | | | |
| FUND BALANCE | | | |
| Designated for Unencumbered Balances of Continuing Appropriations | | | \$87,058 |
| Contingency Reserve for Economic Uncertainties | | | - |
| Undesignated (Deficit) | | | <u>- 608,356</u> |
| TOTAL LIABILITIES AND FUND BALANCE | | | <u>\$1,235,222</u> |
| | | | |
| FIXED ASSETS | | | |
| State's Investment in Fixed Assets | | \$3,626,575 | |
| Lease-Purchase Agreements | | <u>9,892</u> | |
| TOTAL FIXED ASSETS | | <u>\$3,636,467</u> | |
| | | | |
| LONG-TERM OBLIGATIONS | | | |
| Amount to be provided from future revenue and school districts for the retirement of long-term obligations | | | \$3,994,046 |
| General obligation bonds | | | \$6,549,874 |
| Less: Self-liquidating bonds | | | <u>- 3,740,229</u> |
| Net general bonded debt | | | \$2,809,645 |
| Interest payable in future years | | | <u>1,184,401</u> |
| Net Total Long-Term Obligations | | | <u>\$3,994,046</u> |

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1982-83, 1983-84, AND 1984-85
(In thousands of dollars)

87

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1982-83, 1983-84, AND 1984-85 °—Continued

| | Actual 1982-83 | Estimated 1983-84 | Estimated 1984-85 |
|--|----------------|-------------------|-------------------|
| Sources | General Fund* | Special funds | Total |
| TRANSFERS | | | |
| Agricultural & Forestry Residue Util Ac | - | \$511 | - |
| Agriculture fund | - | - | - |
| Attorney General Antitrust Account | - | - | - |
| Capital Outlay Fd for Public Higher Educ | \$6,823 | - | - |
| Cigarette Tax Fund | 6,520 | - | - |
| Clean Coal Account, the | 2,000 | - | - |
| Consumer Affairs Fund | - | - | - |
| Driver Training Penalty Assessment Fund | 30,082 | 88 | \$88 |
| Emergency Telephone Number Acct, State | 48,800 | -22,455 | -22,455 |
| Energy and Resources Fund | 2,926 | - | - |
| Energy Conservation Assistance Ac, State | - | - | - |
| Energy Resources Programs Account | - | -3,800 | -3,800 |
| Fair and Exposition Fund | 3,425 | - | - |
| Forest Resources Improvement Fund | 2,155 | 2 | 2 |
| Fuel Allocation Revenue Account (s) | 390 | - | - |
| Harbors and Watercraft Revolving Fund | - | - | - |
| Highway Account, State STF | 12,730 | - | - |
| Industrial Relations Unpaid Wage Fund | 3,929 | - | - |
| Mobilehome Manufactured Home Revolv Fd | - | - | - |
| Motor Vehicle License Fee Account TH | 278,576 | - | - |
| Nutrition Reserve Fund | 890 | -388,000 | -388,000 |
| Off Highway Vehicle Fund | 13,000 | - | - |
| Park and Recreation Fund, State | 19,754 | - | - |
| Peace Officers Training Fund | 3,437 | - | - |
| Public Broadcasting Fund, California | - | 106 | 106 |
| Renewable Resources Investment Fund | 600 | - | - |
| Revenue Sharing Fund, Federal | - | - | - |
| School Building Lease Purchase Fund, State | 125,000 | - | - |
| Service Revolving Fund | - | - | - |
| Solid Waste Management Fund State | - | 64 | 64 |
| Special Account for Capital Outlay | 60,245 | -1,294 | -1,294 |
| Special Deposit Fund, Racetrack Security Account | 1,222 | - | - |
| Surface Mining and Reclamation Acct | 400 | - | - |
| Transportation Planning & Develop Acct | 39,216 | - | - |
| Univ & Colleges Dormitory Revenue Fd, Ca | - | -15,300 | -15,300 |
| Water Fund, California | 80,000 | 4 | 4 |
| Water Resources Development Bond Fund | - | - | - |
| Water Resources Revolving Fund | 70,000 | - | - |
| TOTALS, TRANSFERS | \$742,120 | \$442,621 | \$1,140 |
| TOTALS, REVENUES AND TRANSFERS | \$21,233,191 | \$23,367,646 | \$27,195,639 |
| | | \$25,925,471 | \$4,618,562 |
| | | \$29,092 | \$23,882 |
| | | | \$5,210 |
| | | | \$30,444,033 |

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FISCAL YEARS 1982-83, 1983-84, AND 1984-85

(In thousands of dollars)

| | Actual 1982-83 | | | Estimated 1983-84 | | | Estimated 1984-85 | | |
|---|----------------|---------------|--------------|-------------------|---------------|--------------|-------------------|---------------|--------------|
| | General Fund | Special funds | Budget Total | General Fund | Special funds | Budget Total | General Fund | Special funds | Budget Total |
| STATE OPERATIONS | | | | | | | | | |
| LEGISLATIVE, JUDICIAL, AND EXECUTIVE | | | | | | | | | |
| Legislative | | | | | | | | | |
| Legislature | | | | | | | | | |
| Senate | 29,290 | 213 | 29,503 | 32,107 | 3,818 | 35,925 | 34,033 | 2,394 | 36,427 |
| Assembly | 46,489 | -2,436 | 44,053 | 50,077 | 2,543 | 52,620 | 52,081 | - | 52,081 |
| Joint Expenses | 19,603 | 238 | 19,841 | 23,950 | 1,313 | 24,903 | 26,928 | - | 26,928 |
| Totals, Legislature | 95,382 | -1,985 | 93,397 | 105,774 | 7,674 | 113,448 | 113,042 | 2,394 | 115,436 |
| Contributions to Legislator Retire Fund | 637 | - | 637 | 670 | - | 670 | 735 | - | 735 |
| Legislative Council Bureau | 13,998 | - | 13,998 | 17,107 | - | 17,107 | 18,173 | - | 18,173 |
| California Law Revision Commission | 372 | - | 372 | 420 | - | 420 | 490 | - | 490 |
| Commission on Uniform State Laws | 49 | - | 49 | 51 | - | 51 | 58 | - | 58 |
| Totals, Legislative | 110,436 | -1,985 | 108,453 | 124,022 | 7,674 | 131,696 | 132,458 | 2,394 | 134,852 |
| Judicial | | | | | | | | | |
| Judiciary | 35,498 | 52 | 35,550 | 44,027 | 52 | 44,079 | 51,520 | 60 | 51,580 |
| Contributions to Judges Retirement Fund | 1,220 | - | 1,220 | 1,230 | - | 1,230 | 1,413 | - | 1,413 |
| National Center for State Courts | 14 | - | 14 | 14 | - | 14 | 14 | - | 14 |
| Totals, Judicial | 36,732 | 52 | 36,784 | 45,271 | 52 | 45,323 | 52,947 | 60 | 53,007 |
| Executive/Governor | | | | | | | | | |
| Governors Office | 4,471 | - | 4,471 | 4,831 | - | 4,831 | 4,760 | - | 4,760 |
| Secretary for State & Consumer Services | 543 | - | 543 | 563 | - | 563 | 631 | - | 631 |
| Sec for Business Transportation & Housing | 323 | 459 | 782 | 290 | 482 | 772 | 304 | 504 | 808 |
| Secretary for Health and Welfare | 2,045 | - | 2,045 | 5,685 | - | 5,685 | 6,577 | - | 6,577 |
| Secretary for Resources | 963 | - | 963 | 1,055 | - | 1,055 | 1,098 | 380 | 1,478 |
| Secretary for Youth & Adult Correctional | 565 | - | 565 | 613 | - | 613 | 645 | - | 645 |
| Off for Citizen Initiative & Volun Act | 62 | - | 62 | - | - | - | - | - | - |
| Gov's Council on Wellness & Phys Fitness | 46 | - | 46 | - | - | - | - | - | - |
| Office of California/Mexico Affairs | 89 | - | 89 | 182 | - | 182 | 224 | - | 224 |
| California State Health Care Commission | 89 | - | 89 | 424 | - | 424 | 443 | - | 443 |
| Office Special Health Care Negotiations | 505 | - | 505 | - | - | - | - | - | - |
| Office of Planning and Research | 2,941 | 312 | 3,253 | 3,072 | 13 | 3,085 | 3,299 | - | 3,299 |
| Office of Economic Opportunity | 956 | - | 956 | 75 | - | 75 | 80 | - | 80 |
| Office of Emergency Services | 3,609 | 329 | 3,938 | 4,464 | 284 | 4,748 | 7,023 | 287 | 7,310 |
| Governors Portrait | 13 | - | 13 | - | - | - | - | - | - |
| Governor Elect and Outgoing Governor | 232 | - | 232 | - | - | - | - | - | - |
| Totals, Executive/Governor | 17,363 | 1,100 | 18,463 | 21,254 | 779 | 22,033 | 25,084 | 1,171 | 26,255 |
| Executive/Constitutional Offices | | | | | | | | | |
| Office of the Lieutenant Governor | 1,005 | - | 1,005 | 1,043 | - | 1,043 | 1,089 | - | 1,089 |
| Department of Justice | 80,522 | 14,631 | 95,153 | 89,157 | 17,971 | 107,128 | 97,780 | 18,723 | 116,503 |
| State Controller | 39,228 | 1,880 | 41,108 | 41,446 | 2,264 | 43,710 | 43,601 | 2,280 | 45,881 |
| State Board of Equalization | 64,732 | 4,522 | 69,254 | 71,352 | 4,837 | 76,189 | 76,703 | 5,122 | 81,825 |
| Secretary of State | 10,023 | - | 10,023 | 12,607 | - | 12,607 | 13,482 | - | 13,482 |
| State Treasurer | 2,112 | - | 2,112 | 3,271 | - | 3,271 | 3,360 | - | 3,360 |
| California Debt Advisory Commission | - | 564 | 564 | - | 625 | 625 | - | 661 | 661 |
| Totals, Executive/Constitutional Offices | 197,622 | 21,597 | 219,219 | 218,876 | 25,697 | 244,573 | 236,015 | 26,786 | 262,801 |
| TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE | 362,155 | 20,764 | 382,919 | 409,423 | 34,202 | 443,625 | 446,504 | 30,411 | 476,915 |

(Figures in Thousands)

| | Actual 1932-33 | | | Estimated 1933-34 | | | Estimated 1934-35 | | |
|--|---------------------------|---------------|----------------------------------|---------------------------|---------------|----------------------------------|---------------------------|---------------|----------------------------------|
| | General Fund ^a | Special funds | Budget Total ^b | General Fund ^a | Special funds | Budget Total ^b | General Fund ^a | Special funds | Budget Total ^b |
| | | | Selected Bond funds ^c | | | Selected Bond funds ^c | | | Selected Bond funds ^c |
| | | | Federal Funds | | | Federal Funds | | | Federal Funds |
| STATE AND CONSUMER SERVICES | | | | | | | | | |
| Museum of Science and Industry | 3,864 | - | - | 4,894 | - | 4,894 | - | - | 6,944 |
| Department of Consumer Affairs | | | | | | | | | |
| Board of Accountancy | - | 1,956 | 1,956 | - | 2,065 | 2,065 | - | 2,298 | 2,298 |
| Board of Architectural Examiners | - | 1,209 | 1,209 | - | 1,185 | 1,185 | - | 1,230 | 1,230 |
| Athletic Commission | 490 | - | 490 | - | 430 | 430 | - | 23,360 | 23,360 |
| Bureau of Automotive Repair | - | 4,522 | 4,522 | - | 15,794 | 15,794 | - | 23,360 | 23,360 |
| Board of Barber Examiners | - | 567 | 567 | - | 645 | 645 | - | 653 | 653 |
| Board of Behavioral Science Examiners | - | 514 | 514 | - | 586 | 586 | - | 704 | 704 |
| Cemetery Board | - | 191 | 191 | - | 220 | 220 | - | 231 | 231 |
| Total Bureau of Collection & Invest Serv .. | - | 2,115 | 2,115 | - | 3,026 | 3,026 | - | 3,113 | 3,113 |
| Contractors State License Board | - | 14,580 | 14,580 | - | 15,496 | 15,496 | - | 15,596 | 15,596 |
| Board of Cosmetology | - | 2,277 | 2,277 | - | 2,350 | 2,350 | - | 2,503 | 2,503 |
| Board of Dental Examiners | - | 1,858 | 1,858 | - | 2,262 | 2,262 | - | 2,423 | 2,423 |
| Bureau of Electronic & Appliance Repair .. | - | 824 | 824 | - | 964 | 964 | - | 2,423 | 2,423 |
| Bureau of Employment Agencies | - | 551 | 551 | - | 522 | 522 | - | 537 | 537 |
| Nurses Registry | - | 13 | 13 | - | 18 | 18 | - | 17 | 17 |
| Board of Fabric Care | - | 632 | 632 | - | 797 | 797 | - | 831 | 831 |
| Board of Funeral Directors and Embalmers .. | - | 441 | 441 | - | 486 | 486 | - | 508 | 508 |
| Bd of Reg for Geologists & Geophysicists .. | - | 145 | 145 | - | 150 | 150 | - | 166 | 166 |
| Board of Guide Dogs for the Blind | 22 | - | 22 | 23 | - | 23 | - | 24 | 24 |
| Bureau of Home Furnishings | - | 1,168 | 1,168 | - | 1,381 | 1,381 | - | 1,449 | 1,449 |
| Board of Landscape Architects | - | 194 | 194 | - | 221 | 221 | - | 230 | 230 |
| Total Medical Quality Assurance | - | 11,009 | 11,009 | - | 13,857 | 13,857 | - | 14,897 | 14,897 |
| Board of Examiners of Nursing Home Admin .. | - | 183 | 183 | - | 245 | 245 | - | 255 | 255 |
| Board of Examiners of Nursing Home Admin .. | - | 259 | 259 | - | 279 | 279 | - | 285 | 285 |
| Board of Optometry | - | 1,667 | 1,667 | - | 1,883 | 1,883 | - | 2,178 | 2,178 |
| Board of Pharmacy | - | - | - | - | - | - | - | - | - |
| Polygraph Examiners Board | - | - | - | 50 | - | 50 | - | -54 | 74 |
| Board of Reg for Professional Engineers..... | - | 1,791 | 1,791 | - | 2,268 | 2,268 | - | 2,347 | 2,347 |
| Board of Registered Nursing | - | 3,827 | 3,827 | - | 3,823 | 3,823 | - | 3,902 | 3,902 |
| Certified Shorthand Reporters Board | - | 360 | 360 | - | 464 | 464 | - | 467 | 467 |
| Structural Pest Control Board | - | 1,545 | 1,545 | - | 1,896 | 1,896 | - | 1,936 | 1,936 |
| Tax Preparers Program | - | 25 | 25 | - | 261 | 261 | - | 274 | 274 |
| Total Veterinary Medicine | - | 443 | 443 | - | 528 | 528 | - | 538 | 538 |
| Bd of Voc Nurse & Psych Tech | - | - | - | - | - | - | - | - | - |
| Examiners | - | 1,735 | 1,735 | - | 2,154 | 2,154 | - | 2,278 | 2,278 |
| Division of Consumer Services | - | 1,292 | 1,292 | - | 1,076 | 1,076 | - | 1,046 | 1,046 |
| Consumer Advisory Council | 70 | - | 70 | 78 | - | 78 | - | 87 | 87 |
| Dept of Consumer Affairs—Admin Services .. | - | - | - | - | - | - | - | - | - |
| Totals, Department of Consumer Affairs | 1,874 | 56,306 | 58,180 | 1,227 | 76,256 | 77,483 | - | 86,795 | 87,829 |
| Dept of Fair Employment and Housing | 7,827 | - | 7,827 | 8,501 | - | 8,501 | - | 8,668 | 8,668 |
| Fair Employment and Housing Commission .. | 545 | - | 545 | 614 | - | 614 | - | 640 | 640 |
| Office of the State Fire Marshal | 3,549 | - | 3,549 | 3,882 | - | 4,351 | - | 1,165 | 4,977 |
| Franchise Tax Board | 83,818 | - | 83,818 | 92,141 | - | 92,166 | - | 98,221 | 98,234 |
| Dept of General Services | 11,034 | - | 16,494 | 25 | 15,235 | 20,471 | - | 13 | 23,242 |
| State Personnel Board | 20,492 | - | 20,492 | 21,096 | - | 21,730 | - | 21,730 | 21,730 |
| Public Employees' Retirement System | 174 | - | 174 | 187 | - | 187 | - | 55 | 55 |
| Department of Veterans Affairs | | | | | | | | | |
| General Activities | 1,894 | - | 1,894 | 2,081 | - | 2,081 | - | 2,140 | 2,140 |
| Veterans' Home of California | 16,419 | - | 16,419 | 17,680 | - | 17,680 | - | 19,152 | 19,152 |
| Totals, Department of Veterans Affairs .. | 18,303 | - | 18,303 | 19,761 | - | 19,761 | - | 21,292 | 21,292 |
| TOTALS, STATE AND CONSUMER SERVICES | 145,836 | 67,340 | 213,176 | 157,509 | 92,005 | 249,514 | 13,066 | 104,422 | 273,611 |
| BUSINESS, TRANSPORTATION, AND HOUSING | | | | | | | | | |
| Business | | | | | | | | | |
| Solar Cal Council | - | 250 | 250 | - | 17 | 17 | - | - | - |
| Solar Energy Conserv Mortgage Corp | 12,839 | - | 12,839 | 14,086 | - | 14,086 | - | - | 14,600 |
| Dept of Alcoholic Beverage Control | - | - | - | - | - | - | - | - | - |
| Alcoholic Beverage Control Appeals Bd | - | 254 | 254 | -200 | 400 | 200 | - | -90 | 207 |
| State Banking Department | 6,353 | - | 6,353 | 7,369 | - | 7,369 | - | 7,829 | 7,829 |
| Dept of Corporations | - | - | - | 7,180 | - | 7,180 | - | 7,628 | 7,628 |

**COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND
FISCAL YEARS 1982-83, 1983-84, AND 1984-85—Continued**
(Figures in Thousands)

| | Actual 1982-83 | | | Estimated 1983-84 | | | Estimated 1984-85 | | |
|---|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|
| | General Fund ^a | Special funds | Budget Total ^b | General Fund ^a | Special funds | Budget Total ^b | General Fund ^a | Special funds | Budget Total ^b |
| Dept of Economic and Business Dev | 6,362 | - | 6,362 | 294 | 6,686 | 175 | 14,899 | 25 | 14,924 |
| Calif Industrial Dev Financing Adv Comm .. | - | 153 | 153 | - | - | 333 | - | 325 | 325 |
| Dept of Housing & Community Development .. | 4,348 | 3,015 | 7,363 | 568 | 5,263 | 8,603 | 5,394 | 8,995 | 8,995 |
| Mortgage Bond Allocation Committee | - | 5 | 5 | - | - | 15 | - | 15 | 15 |
| Dept of Insurance | 9,191 | 522 | 9,713 | - | - | 16,962 | - | 18,154 | 18,154 |
| Dept of Real Estate | - | 13,608 | 13,608 | - | - | 17,463 | - | 17,889 | 17,889 |
| Dept of Savings and Loan | - | 3,001 | 3,001 | - | - | 3,660 | - | 4,357 | 4,357 |
| Totals, Business | 39,347 | 26,855 | 66,202 | 882 | 33,015 | 82,689 | 42,421 | 52,502 | 94,923 |
| Transportation | - | 950 | 950 | - | - | 1,035 | - | 1,085 | 1,085 |
| California Transportation Commission | - | 634,102 | 634,102 | - | - | 661,828 | - | 715,126 | 715,126 |
| Dept of Transportation | - | 128 | 128 | 106,794 | - | 322 | - | 489 | 489 |
| Office of Traffic Safety | - | 305,682 | 305,682 | 5,665 | - | 344,114 | - | 381,637 | 381,637 |
| Dept of the California Highway Patrol | - | 190,771 | 190,771 | 158 | - | 223,406 | - | 240,553 | 240,553 |
| Department of Motor Vehicles | - | 1,664 | 1,664 | 69 | 38 | 1,827 | 67 | 1,527 | 1,527 |
| Traffic Adjudication Board | - | - | - | - | - | - | - | - | - |
| Totals, Transportation | - | 1,133,297 | 1,133,297 | 112,626 | 38 | 1,232,532 | 67 | 1,340,417 | 1,340,484 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| RESOURCES | - | - | - | - | - | - | - | - | - |
| Special Resources Programs | 392 | - | 392 | - | 350 | 450 | 500 | 650 | 650 |
| St Assist Ed Energy Ca Bus Industry Dev .. | 1,500 | 45 | 1,545 | - | - | 742 | - | - | - |
| Calif Alt Energy Source Financing Auth | 29,536 | 1,763 | 31,299 | - | 15,973 | 12,646 | 20,412 | 9,744 | 30,156 |
| California Conservation Corps | - | 39,831 | 39,831 | 3,262 | - | 17,682 | - | 20,719 | 20,719 |
| Energy Resources Conservation & Dev Com .. | - | 3,008 | 3,008 | - | - | 2,680 | - | 2,369 | 2,369 |
| Renewable Resources Investment Program .. | 5,108 | 1,192 | 6,300 | 106 | 3,671 | 4,36 | 3,693 | 144 | 3,837 |
| California Waste Management Board | 3,725 | 43,633 | 47,358 | 2,092 | 3,759 | 41,085 | 4,333 | 37,386 | 41,719 |
| Air Resources Board | 154 | - | 154 | - | 180 | 8 | 211 | 8 | 219 |
| Colorado River Board of California | 9,045 | 3,862 | 12,907 | 176 | 10,131 | 3,675 | 10,602 | 3,373 | 13,975 |
| Department of Conservation | 125,652 | 5,719 | 131,371 | 2,878 | 138,041 | 5,177 | 139,703 | 4,218 | 143,921 |
| Dept of Forestry | 7,353 | 63 | 7,416 | - | 8,760 | 8,760 | 11,225 | - | 11,225 |
| State Lands Commission | 801 | 238 | 1,039 | 563 | 853 | 1,123 | 403 | - | 403 |
| Seismic Safety Commission | 4,397 | 47,894 | 52,291 | 8,474 | 3,383 | 59,632 | 5,894 | 57,597 | 63,401 |
| Dept of Fish and Game | - | 303 | 303 | - | 215 | 514 | - | 485 | 485 |
| Wildlife Conservation Board | - | 242 | 242 | - | - | 215 | - | 226 | 226 |
| Dept of Boating & Waterways | 6,071 | 150 | 6,221 | 2,871 | 5,782 | 6,060 | 6,226 | 284 | 6,510 |
| California Coastal Commission | - | - | - | - | - | - | - | - | - |
| State Coastal Conservancy | - | - | - | 1,637 | - | - | - | - | - |
| Dept of Parks and Recreation | 69,371 | 9,897 | 79,268 | 715 | 55,192 | 91,439 | 62,711 | 34,871 | 97,582 |
| Santa Monica Mountains Conservancy | 272 | 20 | 292 | - | 307 | 307 | 319 | - | 319 |
| San Francisco Bay Conserv & Develop Com .. | 924 | - | 924 | - | 977 | 977 | 1,242 | - | 1,242 |
| Department of Water Resources | 19,705 | 5,072 | 24,777 | 451 | 19,426 | 5,232 | 22,198 | 7,489 | 29,687 |
| State Water Resources Control Board | 13,289 | - | 13,289 | 11,118 | 14,119 | 347 | 17,233 | 1,030 | 18,263 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| HEALTH | - | - | - | - | - | - | - | - | - |
| HEALTH AND WELFARE | - | - | - | - | - | - | - | - | - |
| State Council Developmental Disabilities | - | - | - | 3,031 | 461 | 461 | 656 | - | 656 |
| Emergency Medical Services Authority | 880 | - | 880 | 1,258 | 880 | 5,220 | 656 | 900 | 5,677 |
| Office Statewide Health Planning - Develop .. | 979 | 4,272 | 5,251 | 1,706 | - | 1,703 | - | - | - |
| Dept of Aging | - | - | - | - | - | - | - | - | - |
| Department of Aging | 1,637 | - | 1,637 | 2,891 | 1,793 | 1,793 | 1,713 | - | 1,713 |
| Commission on Aging | 155 | - | 155 | 2,414 | 201 | 201 | 216 | - | 216 |
| Dept of Alcohol and Drug Programs | 5,997 | - | 5,997 | 2,414 | 6,403 | 6,403 | 5,554 | - | 5,554 |
| Child Develop Igms Advisory Committee | 120 | - | 120 | 46 | 132 | 81 | 137 | - | 137 |
| Dept of Health Services | 86,120 | 21,809 | 107,929 | 171,630 | 91,996 | 159,477 | 91,996 | 33,090 | 125,086 |
| California Medical Assistance Commission | - | - | - | - | 850 | 850 | 889 | - | 889 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |
| TOTALS, HEALTH AND WELFARE | - | - | - | 3,031 | 461 | 461 | 656 | 900 | 5,677 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 39,347 | 1,160,152 | 1,199,499 | 113,488 | 33,053 | 1,315,259 | 42,488 | 1,392,919 | 1,435,407 |
| TOTALS, RESOURCES | 297,357 | 162,715 | 460,072 | 32,706 | 281,119 | 481,420 | 307,131 | 175,944 | 483,075 |

**COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND
FISCAL YEARS 1982-83, 1983-84, AND 1984-85—Continued**
(Figures in Thousands)

| | Actual 1982-83 | | | | Estimated 1983-84 | | | | Estimated 1984-85 | | | |
|--|---------------------------|---------------|---------------------------|----------------------------------|-------------------|---------------------------|---------------|---------------------------|----------------------------------|---------------|---------------------------|---------------|
| | General Fund ^a | Special Funds | Budget Total ^c | Selected Bond funds ^c | Federal Funds | General Fund ^a | Special Funds | Budget Total ^c | Selected Bond funds ^c | Federal Funds | General Fund ^a | Special Funds |
| Dept of Developmental Services | 15,199 | 92 | 15,291 | 38 | 17,092 | 17,092 | 178 | 17,270 | 330 | 15,844 | 280 | 16,124 |
| Dept of Mental Health..... | 95,904 | 13,354 | 95,904 | 1,216 | 107,345 | 107,345 | 12,775 | 107,345 | 1,014 | 105,583 | 11,579 | 105,583 |
| Employment Development Dept | 44,198 | 58,000 | 57,352 | 3,610,625 | 35,151 | 35,151 | 47,926 | 47,926 | 3,708,279 | 37,625 | 49,304 | 49,304 |
| Dept of Rehabilitation | 58,000 | 41,456 | 58,000 | 16,083 | 74,343 | 74,343 | 16,083 | 74,343 | 16,670 | 16,670 | 45,758 | 45,758 |
| Dept of Social Services | 41,456 | 3,211 | 41,456 | 96,946 | 47,809 | 47,809 | 3,674 | 47,809 | 106,295 | 45,758 | 3,880 | 45,758 |
| California Health Facilities Commission | 350,645 | 42,738 | 393,383 | 3,966,164 | 326,196 | 326,196 | 88,448 | 414,644 | 4,126,441 | 323,541 | 53,706 | 377,247 |
| TOTALS, HEALTH AND WELFARE..... | | | | | | | | | | | | |
| YOUTH AND ADULT CORRECTIONAL AGENCY | | | | | | | | | | | | |
| Dept of Corrections | 473,414 | 586 | 474,000 | 188 | 582,513 | 582,513 | 935 | 582,513 | 213 | 693,281 | 1,222 | 693,281 |
| Board of Corrections | 5,258 | 110 | 5,258 | 5,258 | 6,304 | 6,304 | 2,397 | 6,304 | 2,397 | 6,304 | 2,397 | 6,304 |
| Youthful Offender Parole Board | 166,004 | 862 | 166,004 | 862 | 176,843 | 176,843 | 889 | 176,843 | 889 | 182,842 | 1,222 | 182,842 |
| TOTALS, YOUTH AND ADULT CORRECTION-AL AGENCY..... | | | | | | | | | | | | |
| | 647,298 | 586 | 647,884 | 1,050 | 768,315 | 768,315 | 935 | 769,250 | 1,102 | 885,248 | 1,222 | 886,470 |
| EDUCATION | | | | | | | | | | | | |
| K Thru 12 Education | | | | | | | | | | | | |
| Department of Education | 62,923 | 1,773 | 64,696 | 27,529 | 64,492 | 64,492 | 1,624 | 66,116 | 36,289 | 66,537 | 1,738 | 68,275 |
| Cal Adv Council on Voc Ed & Tech Train | 23 | 23 | 23 | 204 | 24 | 24 | 5,527 | 5,527 | 116 | 26 | 5,945 | 26 |
| Calif Occupational Info Coord Committee | 62,946 | 6,633 | 69,579 | 27,835 | 64,516 | 64,516 | 7,151 | 71,667 | 36,630 | 66,563 | 7,683 | 74,246 |
| Commission on Teacher Credentialing | | | | | | | | | | | | |
| TOTALS, K Thru 12 Education | | | | | | | | | | | | |
| | 125,872 | 18,601 | 144,473 | 55,364 | 139,032 | 139,032 | 18,776 | 157,803 | 72,935 | 142,626 | 19,441 | 162,067 |
| Higher Education | | | | | | | | | | | | |
| Cal Postsecondary Education Commission | 1,125,425 | 7,039 | 1,132,464 | 916,628 | 947,995 | 947,995 | 7,350 | 955,345 | 100,046 | 1,048,041 | 9,689 | 1,057,730 |
| University of California | 907,338 | 176 | 907,514 | 3,563 | 911,077 | 911,077 | 507 | 916,584 | 583 | 917,161 | 527 | 922,188 |
| Hastings College of Law | 3,387 | 520 | 3,907 | 4,366 | 3,864 | 3,864 | 4,657 | 4,371 | 68,371 | 5,191 | 5,191 | 5,191 |
| Calif State University & Colleges | 3,916 | 79,384 | 83,300 | 37,559 | 46,517 | 46,517 | 22,614 | 69,131 | 1,977,936 | 2,622,174 | 1,867 | 2,622,174 |
| Bd of Governors of Calif Comm Colleges | 79,384 | 28,587 | 107,971 | 1,870,918 | 2,079,639 | 2,079,639 | 22,614 | 2,102,253 | 2,014,566 | 2,688,737 | 9,250 | 2,697,987 |
| Student Aid Commission | | 35,220 | 35,220 | 1,898,753 | 2,144,155 | 2,144,155 | 29,765 | 2,173,920 | | | | |
| TOTALS, Higher Education | | | | | | | | | | | | |
| | 1,228,861 | 28,587 | 1,257,448 | 2,158,481 | 2,196,155 | 2,196,155 | 29,765 | 2,225,916 | 2,014,566 | 2,688,737 | 9,250 | 2,697,987 |
| TOTALS, EDUCATION | | | | | | | | | | | | |
| | 2,191,807 | 35,220 | 2,227,027 | 56,849 | 64,540 | 64,540 | 48,440 | 71,883 | 109,101 | 1,716,863 | 21,690 | 1,738,553 |
| OTHER GOVERNMENTAL UNITS | | | | | | | | | | | | |
| Civil and Criminal Justice | | | | | | | | | | | | |
| Office of Criminal Justice Planning | 2,126 | 401 | 2,527 | 3,662 | 2,201 | 2,201 | 417 | 2,618 | 1,830 | 2,472 | 977 | 3,449 |
| Comm on Peace Officer Standards & Train | 7,003 | 3,671 | 10,674 | 7,003 | 10,674 | 10,674 | 4,018 | 14,692 | 5,525 | 19,200 | 5,905 | 25,105 |
| State Public Defender | 655 | 655 | 1,310 | 1,010 | 1,010 | 1,010 | 485 | 1,495 | 600 | 1,615 | 4,815 | 6,430 |
| Admin & Payment of Tort Liability Claim | | | | | | | | | | | | |
| TOTALS, Civil and Criminal Justice | | | | | | | | | | | | |
| | 9,784 | 4,072 | 13,856 | 3,662 | 8,736 | 8,736 | 4,920 | 13,656 | 1,830 | 7,887 | 6,882 | 14,769 |
| Commerce | | | | | | | | | | | | |
| Commission for Economic Development | 315 | 315 | 630 | 315 | 315 | 315 | 389 | 630 | 315 | 630 | 408 | 1,038 |
| TOTALS, Commerce | | | | | | | | | | | | |
| | 315 | 315 | 630 | 315 | 315 | 315 | 389 | 630 | 315 | 630 | 408 | 1,038 |
| Cultural Development | | | | | | | | | | | | |
| California Arts Council | 8,854 | 157 | 9,011 | 802 | 1,987 | 1,987 | 1,987 | 1,987 | 39 | 2,287 | 2,287 | 2,287 |
| Native American Heritage Commission | 1,581 | 350 | 1,931 | 50 | 217 | 217 | 217 | 217 | 148 | 365 | 220 | 587 |
| Calif Public Broadcasting Commission | 10,892 | 350 | 11,242 | 852 | 2,352 | 2,352 | 2,352 | 2,352 | 39 | 2,447 | 2,447 | 2,447 |
| TOTALS, Cultural Development | | | | | | | | | | | | |
| | 20,327 | 857 | 21,184 | 1,654 | 4,556 | 4,556 | 4,556 | 4,556 | 87 | 7,100 | 7,100 | 7,100 |
| Labor | | | | | | | | | | | | |
| Agricultural Labor Relations Board | 8,320 | 4,437 | 12,757 | 7,411 | 7,411 | 7,411 | 7,411 | 7,411 | 7,411 | 7,411 | 7,411 | 7,411 |
| Public Employment Relations Board | 73,098 | 4,272 | 77,370 | 14,484 | 79,245 | 79,245 | 5,767 | 85,012 | 15,741 | 82,296 | 5,947 | 88,243 |
| Dept of Industrial Relations | 2,592 | 1,523 | 4,115 | 2,592 | 2,592 | 2,592 | 1,800 | 4,392 | 2,592 | 2,592 | 2,592 | 2,592 |
| Department of Personnel Administration | 2,592 | 1,523 | 4,115 | 2,592 | 2,592 | 2,592 | 1,800 | 4,392 | 2,592 | 2,592 | 2,592 | 2,592 |
| Uninsured Employer's Fund—Thru 1981-82 | 2,593 | 1,523 | 4,116 | 2,593 | 2,593 | 2,593 | 1,800 | 4,393 | 2,593 | 2,593 | 2,593 | 2,593 |
| Subsequent Injuries | 91,030 | 5,795 | 96,825 | 14,484 | 98,245 | 98,245 | 7,567 | 105,812 | 15,741 | 102,072 | 8,028 | 110,100 |
| TOTALS, Labor | | | | | | | | | | | | |
| | 104,532 | 10,150 | 114,682 | 34,969 | 34,969 | 34,969 | 19,577 | 54,544 | 31,482 | 66,458 | 15,967 | 82,425 |

**COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND
FISCAL YEARS 1982-83, 1983-84, AND 1984-85—Continued**
(Figures in Thousands)

| | Actual 1982-83 | | | Estimated 1983-84 | | | Estimated 1984-85 | | | | |
|--|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|----------------------------------|---------------|
| | General Fund ^a | Special funds | Budget Total ^b | General Fund ^a | Special funds | Budget Total ^b | General Fund ^a | Special funds | Budget Total ^b | Selected Bond funds ^c | Federal Funds |
| Regulatory | | | | | | | | | | | |
| Board of Chiropractic Examiners | - | 580 | 580 | - | 666 | 666 | - | 687 | 687 | - | - |
| Board of Osteopathic Examiners | - | 273 | 273 | - | 308 | 308 | - | 338 | 338 | - | - |
| Board of Pilot Commissioners | 64 | 64 | 64 | - | 83 | 83 | - | 80 | 80 | - | - |
| California Auctioneer Commission | 12 | 13 | 13 | -4 | 126 | 122 | - | 119 | 115 | - | - |
| California Horse Racing Board | - | 1,196 | 1,196 | - | 1,448 | 1,448 | - | 1,891 | 1,891 | - | - |
| California Exposition and Fairs | 9,355 | 265 | 9,620 | - | 265 | 9,851 | - | 277 | 9,400 | - | - |
| Dept of Food and Agriculture | 36,746 | 28,733 | 65,479 | 2,055 | 46,842 | 91,631 | 1,967 | 46,554 | 88,185 | - | 1,530 |
| Fair Political Practices Commission | 1,768 | - | 1,768 | - | 1,954 | 1,954 | - | 2,047 | 2,047 | - | - |
| Political Reform Act of 1974 | 1,547 | - | 1,547 | - | 1,679 | 1,679 | - | 1,740 | 1,740 | - | - |
| Public Utilities Commission | 13,257 | 21,744 | 35,001 | 183 | 40,111 | 40,111 | - | 43,008 | 43,008 | - | 183 |
| Totals, Regulatory | 62,705 | 52,856 | 115,561 | - | 89,849 | 139,843 | - | 92,654 | 147,191 | - | 1,713 |
| General Administration | | | | | | | | | | | |
| Board of Control | 1,213 | 20,468 | 21,681 | - | 16,623 | 20,540 | - | 554 | 16,647 | - | - |
| Commission on State Finance | 462 | - | 462 | - | 519 | 519 | - | 549 | - | - | - |
| Calif Info Systems Implementation Comm. | 53 | - | 53 | - | 7 | 7 | - | - | - | - | - |
| Commission of the California | 21 | - | 21 | 79 | - | - | - | - | - | - | - |
| Comm on Calif State Govt Org & Economy | 287 | - | 287 | - | 336 | 336 | - | 342 | 342 | - | - |
| Membership for Council of Governments | 128 | - | 128 | - | 128 | 128 | - | 136 | 136 | - | - |
| Commission on the Status of Women | 390 | - | 390 | - | 438 | 438 | - | 513 | 513 | - | - |
| Department of Finance | 21,467 | - | 21,467 | - | 20,804 | 20,804 | - | 20,048 | 10,048 | - | - |
| Office of Administrative Law | -53 | - | -53 | - | 1,773 | 1,773 | - | 2,478 | 2,478 | - | - |
| Military Department | 14,493 | - | 14,493 | - | 2 | 16,055 | - | 16,366 | 16,366 | - | - |
| Totals, General Administration | 38,461 | 20,468 | 58,929 | - | 16,625 | 60,600 | - | 16,649 | 59,655 | - | 243,004 |
| TOTALS, OTHER GOVERNMENTAL UNITS | 213,187 | 83,541 | 296,728 | - | 118,961 | 325,632 | - | 210,387 | 334,600 | - | 243,004 |
| OTHER GOVERNMENTAL SERVICES | | | | | | | | | | | |
| Debt Service | | | | | | | | | | | |
| Bond Interest and Redemption | 261,965 | - | 261,965 | - | - | 323,932 | - | 391,551 | 391,551 | - | - |
| Payment of Interest on Gen Fund Loans | 48,301 | - | 48,301 | - | 70,000 | 70,000 | - | 35,000 | 35,000 | - | - |
| Totals, Debt Service | 310,266 | - | 310,266 | - | 393,932 | 393,932 | - | 426,551 | 426,551 | - | - |
| Unclassified | | | | | | | | | | | |
| Health Benefits for Annuitants | 68,120 | - | 68,120 | - | 88,817 | 88,817 | - | 89,965 | 89,965 | - | - |
| Legislative Claims | 152 | - | 152 | 19 | 791 | 3,619 | 9 | - | - | - | - |
| Working Capital Advances | -25 | - | -25 | - | - | - | - | - | - | - | - |
| Totals, Unclassified | 71,763 | 152 | 71,915 | 19 | 89,608 | 92,436 | 9 | 89,965 | 89,965 | - | - |
| Unallocated | | | | | | | | | | | |
| Aug for Med Fruit Fly Erad Program | 600 | - | 600 | - | -5,600 | -5,600 | - | - | - | - | - |
| Augmentation for Employee Compensation .. | - | - | - | - | 26,581 | 59,894 | 5,900 | 122,471 | 342,892 | - | - |
| Unallocated Attorney Fees | 75 | - | 75 | - | 100 | 300 | - | 200 | 100 | - | - |
| Reserve for Contingencies Or Emergency | - | - | - | - | 1,112 | 2,138 | - | 1,500 | 3,000 | - | - |
| Information Technology Equipment Mgt | - | - | - | - | - | - | - | 5,000 | 5,000 | - | - |
| Statewide Telecommunications System | - | - | - | - | - | - | - | 18,200 | 18,200 | - | - |
| Totals, Unallocated | 675 | - | 675 | - | 27,707 | 49,732 | - | 124,071 | 369,392 | - | - |
| Savings | | | | | | | | | | | |
| General Fund Credits From Special Funds ... | -58,973 | 701 | -58,272 | - | 1,324 | -71,176 | - | -83,500 | 129 | - | - |
| General Fund Credits From Federal Funds ... | -15,154 | - | -15,154 | - | -22,400 | -22,400 | - | -21,000 | -83,371 | - | - |
| Estimated Unidentifiable Savings | - | - | - | - | -5,000 | -5,000 | - | -25,000 | -25,000 | - | - |
| Totals, Savings | -74,127 | 701 | -73,426 | - | 1,324 | -98,576 | - | -129,500 | 129 | - | - |
| TOTALS, OTHER GOVERNMENTAL SERVICES | 308,577 | 853 | 309,430 | 19 | 31,859 | 437,524 | - | 632,247 | 758,447 | - | - |
| TOTALS, STATE OPERATIONS | 4,556,389 | 1,573,909 | 6,130,298 | 8,679 | 1,855,682 | 6,587,908 | 8,747 | 5,705,472 | 7,721,759 | 7,736 | 3,492,561 |

(Figures in Thousands)

| | Actual 1982-83 | | | Estimated 1983-84 | | | Estimated 1984-85 | | |
|--|---------------------------|----------------------------------|---------------------------|---------------------------|----------------------------------|---------------------------|---------------------------|----------------------------------|---------------------------|
| | General Fund ^a | Special funds | Budget Total ^c | General Fund ^a | Special funds | Budget Total ^c | General Fund ^a | Special funds | Budget Total ^c |
| | Federal Funds | Selected Bond funds ^c | Federal Funds | Federal Funds | Selected Bond funds ^c | Federal Funds | Federal Funds | Selected Bond funds ^c | Federal Funds |
| LOCAL ASSISTANCE | | | | | | | | | |
| LEGISLATIVE, JUDICIAL, AND EXECUTIVE | | | | | | | | | |
| Judicial | | | | | | | | | |
| Judiciary | 3,381 | - | 3,381 | 243 | - | 243 | 243 | - | 243 |
| Contributions to Judges Retirement Fund | 14,404 | - | 14,404 | 14,166 | - | 14,166 | 15,949 | - | 14,949 |
| Salaries of Superior Court Judges | 36,283 | - | 36,283 | 37,411 | - | 37,411 | 39,067 | - | 39,067 |
| St Block Grant for Sup Court Judgeships | 9,360 | - | 9,360 | 9,480 | - | 9,480 | 9,480 | - | 9,480 |
| Totals, Judicial | 63,428 | - | 63,428 | 61,300 | - | 61,300 | 64,739 | - | 64,739 |
| Executive/Governor | | | | | | | | | |
| Office of Planning and Research | - | - | - | - | - | - | - | - | - |
| Office of Economic Opportunity | - | - | - | - | - | - | - | - | - |
| Office of Emergency Services | - | 10,757 | 10,757 | 5,000 | 23,600 | 28,600 | - | 8,600 | 38,013 |
| Totals, Executive/Governor | - | 10,757 | 10,757 | 5,000 | 23,600 | 28,600 | - | 8,600 | 38,013 |
| Executive/Constitutional Offices | | | | | | | | | |
| Department of Justice | 33 | - | 33 | - | - | - | - | - | - |
| Secretary of State | 1,935 | - | 1,935 | - | - | - | - | - | - |
| Totals, Executive/Constitutional Offices | 1,968 | - | 1,968 | - | - | - | - | - | - |
| TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE | 65,396 | 10,757 | 76,153 | 66,300 | 23,600 | 89,900 | 64,739 | 8,600 | 73,339 |
| | | | | | | | | | 143,412 |
| STATE AND CONSUMER SERVICES | | | | | | | | | |
| Franchise Tax Board | 5 | - | 5 | - | - | - | - | - | - |
| Dept of General Services | 9,718 | - | 9,718 | - | 32,072 | 32,072 | - | 31,745 | 31,745 |
| Public Employees' Retirement System | 4,558 | - | 4,558 | - | - | - | - | - | - |
| Department of Veterans Affairs | | | | | | | | | |
| General Activities | 420 | - | 420 | 420 | - | 420 | 420 | - | 420 |
| Totals, Department of Veterans Affairs | 420 | - | 420 | 420 | - | 420 | 420 | - | 420 |
| TOTALS, STATE AND CONSUMER SERVICES | 4,933 | 9,718 | 14,701 | 420 | 32,072 | 32,492 | 420 | 31,745 | 32,165 |
| | | | | | | | | | |
| BUSINESS, TRANSPORTATION, AND HOUSING | | | | | | | | | |
| Business | | | | | | | | | |
| Dept of Corporations | 3 | - | 3 | - | - | - | - | - | - |
| Dept of Economic and Business Dev | 8,345 | - | 8,345 | 6,900 | - | 6,900 | 6,900 | - | 6,900 |
| Dept of Housing & Community Development | 8,348 | - | 8,348 | 6,900 | - | 6,900 | 6,900 | - | 6,900 |
| Totals, Business | 11,693 | - | 11,693 | 13,800 | - | 13,800 | 13,800 | - | 13,800 |
| Transportation | | | | | | | | | |
| Special Transportation Programs | - | 70,000 | 70,000 | - | 88,000 | 88,000 | - | 79,800 | 79,800 |
| Dept of Transportation: | | | | | | | | | |
| Transportation Planning Program | - | 2,010 | 2,010 | - | 2,032 | 2,032 | - | 2,032 | 2,032 |
| Mass Transportation Program | - | 106,584 | 106,584 | - | 100,866 | 100,866 | - | 110,300 | 100,300 |
| Aeronautics Program | - | 3,999 | 3,999 | - | 4,425 | 4,425 | - | 5,400 | 5,400 |
| Highway Transportation Program | - | 27,556 | 27,556 | - | 29,792 | 29,792 | - | 29,450 | 29,450 |
| Totals, Dept. of Transportation | - | 140,149 | 140,149 | - | 137,115 | 137,115 | - | 147,182 | 147,182 |
| Office of Traffic Safety | - | - | - | - | 4,699 | 4,699 | - | 3,400 | 3,400 |
| Totals, Transportation | - | 210,149 | 210,149 | - | 225,115 | 225,115 | - | 226,982 | 226,982 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | 8,348 | 210,149 | 218,497 | 6,900 | 225,115 | 232,015 | 6,900 | 226,982 | 233,982 |
| | | | | | | | | | |
| RESOURCES | | | | | | | | | |
| Special Resources Programs | 165 | 385 | 550 | - | 300 | 300 | 348 | 370 | 718 |

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND
FISCAL YEARS 1982-83, 1983-84, AND 1984-85—Continued

(Figures in Thousands)

| | Actual 1982-83 | | | | Estimated 1983-84 | | | | Estimated 1984-85 | | | | | | |
|--|---------------------------|---------------|---------------------------|----------------------------------|-------------------|---------------------------|---------------|---------------------------|----------------------------------|---------------|---------------------------|---------------|---------------------------|----------------------------------|---------------|
| | General Fund ^a | Special funds | Budget Total ^c | Selected Bond funds ^c | Federal Funds | General Fund ^a | Special funds | Budget Total ^c | Selected Bond funds ^c | Federal Funds | General Fund ^a | Special funds | Budget Total ^c | Selected Bond funds ^c | Federal Funds |
| Dept of Fish and Game | - | 25 | 635 | - | - | - | 2,259 | 2,259 | - | 285 | 2,885 | - | 2,885 | - | 227 |
| Dept of Boating & Waterways | 303 | 635 | 303 | - | 720 | 280 | - | 280 | - | - | 280 | - | 280 | - | - |
| California Coastal Commission | - | 1,500 | 1,500 | 6,584 | - | - | - | - | 6,301 | - | - | - | - | 6,301 | - |
| State Coastal Conservancy | -79 | 9,583 | 9,504 | 25,118 | 3,343 | - | 15,586 | 15,586 | 18,210 | 14,859 | - | - | - | 2,194 | - |
| Dept of Parks and Recreation | 28 | - | 28 | - | - | - | - | - | - | - | - | - | - | - | - |
| San Francisco Bay Conserv & Develop Com | 2,000 | 1,984 | 3,984 | 39,581 | 902 | 6,499 | 1,384 | 7,883 | 57,637 | 13,200 | - | 13,200 | - | - | - |
| Department of Water Resources | - | 155 | 155 | 63,472 | - | - | - | - | 65,000 | - | - | - | - | - | - |
| State Water Resources Control Board | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTALS, RESOURCES | 2,745 | 28,494 | 31,239 | 134,755 | 4,965 | 6,779 | 27,762 | 34,541 | 147,148 | 13,144 | 16,713 | 9,933 | 26,678 | 73,493 | 227 |
| HEALTH AND WELFARE | | | | | | | | | | | | | | | |
| Emergency Medical Services Authority | - | - | - | - | - | 448 | - | 448 | - | 3,454 | 448 | - | 448 | - | 1,575 |
| Office Statewide Health Planning—Develop | 3,034 | - | 3,034 | - | - | 3,001 | - | 3,001 | - | - | 2,880 | - | 2,880 | - | - |
| Department of Aging | 3,758 | 13 | 3,771 | 3,758 | 66,250 | 7,032 | - | 7,032 | - | 66,011 | 4,945 | - | 4,945 | - | 70,595 |
| Department of Alcohol and Drug Programs .. | 61,840 | - | 61,840 | - | 24,349 | 62,047 | - | 62,047 | - | 29,317 | 63,836 | - | 63,836 | - | 28,096 |
| Department of Health Services: | | | | | | | | | | | | | | | |
| Medical Assistance Program | 2,567,130 | - | 2,567,130 | - | 2,043,287 | 2,018,684 | - | 2,018,684 | - | 2,088,783 | 2,022,992 | - | 2,022,992 | - | 2,068,753 |
| Public Health Services for Local Agencies .. | 491,993 | - | 491,993 | - | 11,946 | 905,497 | - | 905,497 | - | 12,793 | 908,007 | - | 908,007 | - | 13,452 |
| California Children Services | 37,663 | - | 37,663 | - | 7,704 | 37,718 | - | 37,718 | - | 6,489 | 41,862 | - | 41,862 | - | 9,992 |
| Legislative Mandates | 23 | - | 23 | - | - | - | - | - | - | - | - | - | - | - | - |
| Special Adjustment—Cost-of-Living: | | | | | | | | | | | | | | | |
| Medi-Cal | - | - | - | - | - | - | - | - | - | - | 19,115 | - | 19,115 | - | 19,247 |
| California Children Services | - | - | - | - | - | - | - | - | - | - | 837 | - | 837 | - | - |
| Public Health—Other | - | - | - | - | - | - | - | - | - | - | 8,579 | - | 8,579 | - | - |
| TOTALS, Dept. of Health Services | 3,096,909 | - | 3,096,909 | - | 2,062,937 | 2,961,899 | - | 2,961,899 | - | 2,108,065 | 3,001,392 | - | 3,001,392 | - | 2,111,374 |
| Dept of Developmental Services | 527,476 | 1,068 | 528,544 | 823 | 823 | 559,194 | 2,440 | 561,634 | 834 | 834 | 559,425 | 2,895 | 559,120 | 834 | 13,554 |
| Dept of Mental Health | 467,894 | - | 467,894 | 8,969 | 8,969 | 449,084 | - | 449,084 | - | 14,135 | 507,597 | - | 507,597 | - | 3,226,129 |
| Employment Development Dept | - | - | - | - | - | - | - | - | - | 231,826 | 1,309 | - | 1,309 | - | - |
| Dept of Rehabilitation | - | - | - | - | - | - | - | - | - | - | 45,523 | - | 45,523 | - | - |
| Dept of Social Services: | | | | | | | | | | | | | | | |
| SSI-SSP Grants | 1,140,480 | - | 1,140,480 | - | 17,494 | 1,097,386 | - | 1,097,386 | - | 11,518 | 1,065,827 | - | 1,065,827 | - | 8,551 |
| Payments for Children | 1,367,301 | - | 1,367,301 | - | 1,526,129 | 1,491,641 | - | 1,491,641 | - | 1,652,539 | 1,329,922 | - | 1,329,922 | - | 1,662,496 |
| Special Adult Programs | 1,539 | - | 1,539 | 52 | 52 | 1,472 | - | 1,472 | 52 | 138 | 138 | - | 138 | - | 52 |
| Social Service Programs | 154,123 | - | 154,123 | 324,689 | 324,689 | 169,229 | - | 169,229 | 388,346 | 388,346 | 195,777 | - | 195,777 | - | 379,110 |
| Refugee Programs | - | - | - | 117,901 | 117,901 | - | - | - | 77,459 | - | - | - | - | - | 63,290 |
| Community Care Licensing | 6,309 | - | 6,309 | 2,007 | 2,007 | 7,515 | - | 7,515 | 7,515 | 7,515 | 7,515 | - | 7,515 | - | 2,707 |
| County Administration | 102,475 | - | 102,475 | 327,249 | 327,249 | 116,686 | - | 116,686 | 357,130 | 129,114 | 129,114 | - | 129,114 | - | 354,827 |
| Local Mandates | - | - | - | - | - | (282) | - | (282) | - | - | (407) | - | (407) | - | - |
| Special Adjustment—Cost-of-Living | - | - | - | - | - | - | - | - | - | - | 77,443 | - | 77,443 | - | 58,685 |
| TOTALS, Dept of Social Services | 2,772,227 | - | 2,772,227 | - | 2,315,521 | 2,883,929 | - | 2,883,929 | - | 2,489,751 | 3,005,736 | - | 3,005,736 | - | 2,529,718 |
| TOTALS, HEALTH AND WELFARE | 6,933,038 | 1,081 | 6,934,119 | - | 4,478,869 | 6,968,883 | 2,440 | 6,971,323 | - | 4,943,393 | 7,224,782 | 4,004 | 7,238,786 | - | 7,951,872 |
| YOUTH AND ADULT CORRECTIONAL AGENCY | | | | | | | | | | | | | | | |
| Dept of Corrections | 13,336 | - | 13,336 | - | - | 10,583 | - | 10,583 | - | - | 10,519 | - | 10,519 | - | - |
| Board of Corrections | - | 6,346 | 6,346 | - | - | - | 7,279 | 7,279 | - | - | - | 7,548 | 7,548 | 100,000 | - |
| Department of the Youth Authority: | | | | | | | | | | | | | | | |
| Transportation of Wards | 108 | - | 108 | - | - | 95 | - | 95 | - | - | 95 | - | 95 | - | - |
| Delinquency Prevention | 1,500 | - | 1,500 | - | - | 1,675 | - | 1,675 | - | - | 2,196 | - | 2,196 | - | - |
| Assistance to Counties for Detention of | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Youths | 414 | - | 414 | - | - | 414 | - | 414 | - | - | 414 | - | 414 | - | - |
| County Justice Subvention Program | 62,812 | - | 62,812 | - | - | 62,812 | - | 62,812 | - | - | 64,068 | - | 64,068 | - | - |
| TOTALS, Department of the Youth Author- | 84,834 | - | 84,834 | - | - | 64,996 | - | 64,996 | - | - | 66,773 | - | 66,773 | - | - |
| ity | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTALS, YOUTH AND ADULT CORRECTION- | 78,170 | 6,346 | 84,516 | - | - | 75,579 | 7,279 | 82,858 | - | - | 77,292 | 7,548 | 84,840 | 100,000 | - |
| AL AGENCY | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

(Figures in Thousands)

| | Actual 1982-83 | | | Estimated 1983-84 | | | Estimated 1984-85 | | | | |
|---|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|----------------------------------|---------------|
| | General Fund ^a | Special funds | Budget Total ^b | General Fund ^a | Special funds | Budget Total ^b | General Fund ^a | Special funds | Budget Total ^b | Selected Bond funds ^c | Federal Funds |
| EDUCATION | | | | | | | | | | | |
| K Thru 12 Education | | | | | | | | | | | |
| Department of Education: | | | | | | | | | | | |
| School Apportionment..... | 5,449,960 | | 38,988 | | 5,927,269 | 25,000 | | 6,348,720 | 25,000 | 6,373,720 | - |
| County Apportionment..... | 63,743 | | | 63,154 | | | | 77,020 | | 77,020 | - |
| Gifted and Talented Education Programs..... | 16,838 | | | 17,848 | | | | 17,848 | | 17,848 | - |
| School Improvement Program (SIP)..... | 162,691 | | | 172,457 | | | | 182,757 | | 182,757 | - |
| Economic Impact Aid Program (EIA)..... | 171,472 | | | 182,041 | | | | 182,041 | | 182,041 | - |
| Miller-Unruh Reading Program..... | 16,182 | | | 17,153 | | | | 17,153 | | 17,153 | - |
| Native American Indian Education..... | 318 | | | 337 | | | | 337 | | 337 | - |
| Demo Programs in Reading and Math..... | 3,358 | | | 3,771 | | | | 3,771 | | 3,771 | - |
| American Indian Education..... | 750 | | | 795 | | | | 795 | | 795 | - |
| Adult Education..... | 145,227 | | | 159,993 | | | 9,288 | 163,956 | | 163,956 | 9,288 |
| Curriculum Services..... | 16 | | | 1,988 | | | | 6,672 | | 6,672 | - |
| Instructional Materials (K-8)..... | 40,912 | | | 59,310 | | | | 58,967 | | 58,967 | - |
| Instructional Materials (Grades 9-12)..... | | | | 18,250 | | | | 17,835 | | 17,835 | - |
| Staff Development..... | 12,073 | | | 22,593 | | | | 66,329 | | 66,329 | - |
| Urban Impact Aid..... | 58,003 | | | 61,483 | | | | 70,699 | | 70,699 | - |
| Meade Aid..... | 9,100 | | | 9,646 | | | | 9,646 | | 9,646 | - |
| Home to School Transportation..... | 148,902 | | | 161,613 | | | | 250,173 | | 250,173 | - |
| Court Mandates..... | 140,454 | | | 164,506 | | | | 154,416 | | 154,416 | - |
| ECIA Chapter 1..... | | | | 196,047 | | | 297,413 | | | 297,413 | - |
| Migrant ECIA Chapter 1..... | | | | 61,969 | | | 63,442 | | | 63,442 | - |
| Innovation Program..... | | | | 5,170 | | | | | | | - |
| Career Incentive..... | | | | 622 | | | | | | | - |
| Special Education..... | 732,844 | | | 81,912 | 797,290 | | 89,322 | 683,217 | | 683,217 | - |
| Vocational Education..... | | | | 49,737 | 3,088 | | 63,274 | 500 | | 500 | - |
| Driver Training..... | | | 17,844 | | 17,336 | 17,336 | | | 17,336 | | - |
| Transition Program for Refugee..... | | | | | | | 5,565 | | | | - |
| Environmental Education..... | | 495 | | | | 397 | | | 394 | | - |
| Child Development..... | 248,620 | 20 | | 263,945 | 264,485 | | 1,957 | 263,459 | | 263,459 | - |
| Child Nutrition..... | 25,734 | 25,734 | | 321,111 | 26,803 | | 323,671 | 26,803 | | 26,803 | - |
| State Library..... | 5,520 | 5,520 | | 11,685 | 11,685 | | 12,410 | 19,000 | | 19,000 | - |
| Legislative Mandates..... | 23,842 | 23,842 | | (16,301) | (16,301) | | | (16,109) | | (16,109) | - |
| Federal Educational Block Grant..... | | | | 29,218 | | | 36,368 | | | | - |
| Loan Repayments from School Districts..... | -1,430 | -1,430 | | -1,831 | -1,831 | | | -1,831 | -150 | -1,981 | - |
| Hart Attendance Project..... | 875 | 875 | | | | | | | | | - |
| Special Adjustment—Cost-of-Living..... | | | | | | | | 340,494 | | 340,494 | - |
| Year-round School Incentives..... | | | | | | | | 7,687 | | 7,687 | - |
| Mathematics, Engineering and Science Achievement..... | | | | | | | | | | | - |
| Education Improvement Incentive Program..... | | | | 1,351 | 1,351 | | | 1,351 | | 1,351 | - |
| Tenth Grade Counseling..... | | | | | | | | 15,000 | | 15,000 | - |
| Supplementary Program Services..... | | | | 6,168 | 6,168 | | | 6,600 | | 6,600 | - |
| Emergency Feeding Program (PL 98-5)..... | | | | 759 | 759 | | | 6,885 | | 6,885 | - |
| Youth Suicide Prevention Program..... | | | | | | | 1,290 | | | | - |
| California Writing Project..... | | | | | | | | 300 | | 300 | - |
| California Assessment Program..... | | | | 250 | 250 | | | | | | - |
| Golden State Examination Program..... | | | | 200 | 200 | | | | | | - |
| Totals, Department of Education..... | 7,478,204 | 7,535,551 | 57,347 | 8,174,093 | 8,217,316 | 43,223 | 904,200 | 8,993,600 | 42,580 | 9,041,180 | - |
| Contributions to Teachers' Retire Fund..... | 235,491 | 235,491 | | 20,500 | 20,500 | | | 536,045 | | 536,045 | - |
| State School Building Safety Program..... | | -755 | -755 | | -755 | -755 | | | | -724 | - |
| School Facilities Aid Program..... | 37,027 | 37,027 | | 81,260 | 72,059 | 150,000 | | 87,858 | | 87,858 | - |
| Debt Service Public Sch Building Bonds..... | -76,193 | -74,545 | 1,648 | -81,260 | -79,609 | 1,631 | | -87,858 | | -88,205 | - |
| Totals, K Thru 12 Education..... | 7,674,529 | 7,732,769 | 58,240 | 8,194,593 | 8,229,511 | 34,918 | 904,200 | 9,534,645 | 143,135 | 9,677,780 | - |
| | | | | | | | | | | | 223,000 |
| | | | | | | | | | | | 888,869 |

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND
FISCAL YEARS 1982-83, 1983-84, AND 1984-85—Continued

(Figures in Thousands)

| | Actual 1982-83 | | | Estimated 1983-84 | | | Estimated 1984-85 | | |
|---|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|
| | General Fund ^a | Special funds | Budget Total ^c | General Fund ^a | Special funds | Budget Total ^c | General Fund ^a | Special funds | Budget Total ^c |
| Higher Education | | | | | | | | | |
| Community Colleges: | | | | | | | | | |
| Appointments for Community Colleges | 1,010,843 | | 4,346 | 1,015,189 | | 3,900 | 958,489 | 3,900 | 962,389 |
| Partial State Support—Academic Senate | 68 | | - | 68 | | - | 70 | - | 70 |
| Community Colleges Extended Opportunity Program | 24,691 | | - | 24,691 | | - | 35,663 | - | 35,663 |
| Disabled Students | 18,396 | | - | 18,396 | | - | 22,534 | - | 22,534 |
| Instructional Improvement | 760 | | - | 760 | | - | 783 | - | 783 |
| Deferred Maintenance and Special Repairs | 4,572 | | - | 4,572 | | - | 8,000 | - | 8,000 |
| Totals, Community Colleges | 1,054,758 | | 8,918 | 1,063,676 | | 7,900 | 1,029,439 | 3,900 | 1,029,439 |
| Student Aid Commission | | | - | | | - | 85,125 | - | - |
| Totals, Higher Education | 1,054,758 | | 8,918 | 1,063,676 | | 7,900 | 1,110,664 | 3,900 | 1,114,564 |
| TOTALS, EDUCATION | 8,729,237 | | 67,158 | 8,796,445 | | 42,818 | 10,645,309 | 147,035 | 10,792,344 |
| OTHER GOVERNMENTAL UNITS | | | | | | | | | |
| Civil and Criminal Justice | | | | | | | | | |
| Office of Criminal Justice Planning | 4,535 | | 4,917 | 9,452 | | 7,787 | 10,225 | 11,065 | 21,290 |
| Comm on Peace Officer Standards & Train | 18,412 | | 18,412 | 18,412 | | 22,214 | - | 26,339 | 26,339 |
| Assst to Counties for Defense of Indig | 2,479 | | - | 2,479 | | - | 3,200 | - | 3,200 |
| Subven for Guardianship Conservator Pro | 4,279 | | - | 4,279 | | - | - | - | - |
| Pay to Court for Cost of Homicide Trial | 1,325 | | - | 1,325 | | - | 800 | - | 800 |
| Totals, Civil and Criminal Justice | 12,618 | | 23,329 | 35,947 | | 30,001 | 14,225 | 37,404 | 51,629 |
| Cultural Development | | | | | | | | | |
| California Arts Council | 1,611 | | - | 1,611 | | - | 6,510 | - | 6,510 |
| Labor | | | | | | | | | |
| Disaster Service Workers | 358 | | - | 358 | | - | 415 | - | 415 |
| Totals, Labor | 358 | | - | 358 | | - | 415 | - | 415 |
| Regulatory | | | | | | | | | |
| Dept of Food and Agriculture | 8,779 | | 6,358 | 16,137 | | 6,750 | 8,787 | 6,792 | 15,579 |
| Financial Assistance to Local Fair | 13,935 | | 13,935 | 13,935 | | 12,861 | 12,285 | 12,285 | - |
| Totals, Regulatory | 8,779 | | 21,293 | 30,072 | | 19,611 | 8,787 | 19,077 | 27,864 |
| General Administration | | | | | | | | | |
| Board of Control | - | | 65 | 65 | | - | - | - | - |
| Totals, General Administration | - | | 65 | 65 | | - | - | - | - |
| TOTALS, OTHER GOVERNMENTAL UNITS | 23,366 | | 44,687 | 68,053 | | 49,612 | 29,937 | 56,481 | 86,418 |
| OTHER GOVERNMENTAL SERVICES | | | | | | | | | |
| Tax Relief: | | | | | | | | | |
| Senior Citizens Property Tax Assistance | 11,091 | | - | 11,091 | | 8,016 | 8,100 | - | 8,100 |
| Senior Citizens Property Tax Deferral Program | 6,093 | | - | 6,093 | | - | 9,300 | - | 9,300 |
| Senior Citizens Renters' Tax Assistance | 41,945 | | - | 41,945 | | 33,150 | 32,500 | - | 32,500 |
| Personal Property Tax Relief | 516,539 | | - | 516,539 | | - | 334,500 | - | 334,500 |
| Homeowners' Property Tax Relief | 333,955 | | - | 333,955 | | - | 13,200 | - | 13,200 |
| Subventions for Open Space | 13,475 | | - | 13,475 | | - | - | - | - |
| Payment to Local Government | 2,073 | | - | 2,073 | | - | 3,700 | - | 3,700 |
| Sales Property Tax Revenue Loss | 422,170 | | - | 422,170 | | 9,874 | 447,000 | - | 447,000 |
| Renters' Tax Relief | 36 | | - | 36 | | - | 98 | - | 98 |
| Substandard Housing | - | | - | - | | - | - | - | - |
| Prop 13 Fiscal Relief | - | | - | - | | - | - | - | - |
| Local Government | - | | - | - | | - | - | - | - |
| Totals, Tax Relief | 1,346,723 | | - | 1,346,723 | | 51,040 | 848,398 | - | 848,398 |

(Figures in Thousands)

| | Actual 1982-83 | | | | Estimated 1983-84 | | | | Estimated 1984-85 | | | |
|---|---------------------------|---------------|---------------------------|---------------|---------------------------|---------------|---------------------------|---------------|---------------------------|---------------|---------------------------|---------------|
| | General Fund ^a | Special funds | Budget Total ^c | Federal Funds | General Fund ^a | Special funds | Budget Total ^c | Federal Funds | General Fund ^a | Special funds | Budget Total ^c | Federal Funds |
| Revenue Distributions | | | | | | | | | | | | |
| Shared Revenues | | | | | | | | | | | | |
| Apportionment Hwy Prop Rental Receipts | - | - | 3,255 | - | - | - | 3,900 | - | - | - | 3,900 | - |
| Apportionment Off-Highway License Fees | - | - | 582 | - | - | - | 686 | - | - | - | 614 | - |
| Apportionment Fed Receipts Flood Control | - | - | - | - | 319 | - | - | - | 320 | - | - | - |
| Apportionment Fed Receipts Forest Res | - | - | - | - | 18,931 | - | - | - | 19,000 | - | - | - |
| Apportionment Fed Receipts Grazing Land | - | - | - | - | 172 | - | - | - | 140 | - | - | - |
| Apportionment Fed Potash Lease Rentals .. | - | - | - | - | 3,028 | - | - | - | 2,725 | - | - | - |
| Apportionment of Trailer Coach Fees | - | - | 24,055 | - | - | - | 26,000 | - | - | - | 22,000 | - |
| Apportionment Motor Vehicle License Fee..... | - | - | 449,772 | - | - | - | 507,000 | - | - | - | 1,153,000 | - |
| Apportionment Cigarette Tax | - | - | 74,486 | - | - | - | 80,000 | - | - | - | 77,000 | - |
| Apportionment Tideland Revenues | 375 | - | - | - | 400 | - | - | - | 400 | - | - | - |
| Apportionment for County Roads | - | - | 208,417 | - | - | - | 249,400 | - | - | - | 233,300 | - |
| Apportionment for City Streets | - | - | 133,253 | - | - | - | 182,510 | - | - | - | 171,950 | - |
| Apportionment County Road & City Street..... | - | - | 107,436 | - | - | - | 115,350 | - | - | - | 107,150 | - |
| Apportionment of Local Agency Reimburse | 2,690 | - | - | - | - | - | - | - | - | - | - | - |
| Apportionment of Geothermal Res Develop | - | - | 2,560 | - | - | - | 3,573 | - | - | - | 3,159 | - |
| Totals, Shared Revenues | 3,065 | - | 1,003,816 | - | 22,450 | 400 | 1,163,419 | - | 22,185 | 400 | 1,772,073 | - |
| Totals, Revenue Distribution | 3,065 | - | 1,003,816 | - | 22,450 | 400 | 1,163,819 | - | 22,185 | 400 | 1,772,073 | - |
| Unclassified | | | | | | | | | | | | |
| Los Angeles Co Medical Assist Grant Prog | - | - | - | - | - | - | 294 | - | - | 200,000 | - | - |
| State Mandated Local Programs | - | - | - | - | - | 224,493 | 224,787 | - | - | 111,437 | 155 | - |
| Universal Telephone Service Program | - | - | - | - | - | - | - | - | - | 18,000 | 18,000 | - |
| Totals, Unclassified | - | - | - | - | - | 224,493 | 224,787 | - | - | 311,437 | 359,592 | - |
| Savings | | | | | | | | | | | | |
| Estimated Unidentifiable Savings | - | - | - | - | - | -20,000 | - | - | - | -75,000 | - | - |
| Totals, Savings | - | - | - | - | - | -20,000 | - | - | - | -75,000 | - | - |
| TOTALS, OTHER GOVERNMENTAL SERVICES | 1,349,788 | - | 1,003,816 | - | 22,450 | 1,281,654 | 1,219,753 | - | 22,185 | 1,085,253 | 1,790,228 | - |
| TOTALS, LOCAL ASSISTANCE | 17,195,121 | - | 1,382,206 | 259,755 | 5,511,487 | 17,730,930 | 1,630,451 | 297,148 | 6,395,566 | 19,151,327 | 2,282,558 | 398,495 |
| CAPITAL OUTLAY | | | | | | | | | | | | |
| LEGISLATIVE, JUDICIAL, AND EXECUTIVE | | | | | | | | | | | | |
| Legislative | | | | | | | | | | | | |
| Joint Expenses | - | - | 2,989 | - | - | - | 633 | - | - | - | - | - |
| Totals, Legislature | - | - | 2,989 | - | - | - | 633 | - | - | - | - | - |
| Judicial | | | | | | | | | | | | |
| Totals, Legislative | - | - | 2,989 | - | - | - | 633 | - | - | - | - | - |
| Executive | | | | | | | | | | | | |
| Judiciary | - | - | - | - | - | - | 35 | - | - | - | 421 | - |
| Totals, Judicial | - | - | - | - | - | - | 35 | - | - | - | 421 | - |
| Executive/Constitutional Offices | - | - | - | - | - | - | 35 | - | - | - | 421 | - |
| State Board of Equalization | - | - | - | - | - | - | - | - | - | - | 129 | - |
| Totals, Executive/Constitutional Offices | - | - | - | - | - | - | - | - | - | - | 129 | - |
| TOTALS, LEGISLATIVE, JUDICIAL, AND EX-ECUTIVE | - | - | 2,989 | - | - | - | 668 | - | - | - | 550 | - |

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND
FISCAL YEARS 1982-83, 1983-84, AND 1984-85—Continued
 (Figures in Thousands)

| | Actual 1982-83 | | | Estimated 1983-84 | | | Estimated 1984-85 | | |
|---|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|---------------------------|---------------|---------------------------|
| | General Fund ^a | Special funds | Budget Total ^c | General Fund ^a | Special funds | Budget Total ^c | General Fund ^a | Special funds | Budget Total ^c |
| STATE AND CONSUMER SERVICES | | | | | | | | | |
| Museum of Science and Industry | - | - | 7,128 | - | - | -52 | - | - | 159 |
| Dept of General Services | -96 | - | 7,352 | - | - | 1,925 | - | - | 22,466 |
| Department of Veterans Affairs | - | - | - | - | - | - | - | - | - |
| Veterans' Home of California | - | - | 643 | - | - | 380 | - | - | 4,288 |
| Totals, Department of Veterans Affairs .. | - | - | 643 | - | - | 380 | - | - | 4,288 |
| TOTALS, STATE AND CONSUMER SERVICES | -96 | - | 15,123 | - | - | 2,253 | - | - | 26,913 |
| BUSINESS, TRANSPORTATION, AND HOUSING | | | | | | | | | |
| Transportation | - | - | - | - | - | - | - | - | - |
| Dept of Transportation | - | - | 112,017 | - | - | 178,049 | - | - | 196,207 |
| Dept of the California Highway Patrol | - | - | 1,908 | - | - | 9,924 | - | - | 5,374 |
| Department of Motor Vehicles | - | - | 544 | - | - | 8,998 | - | - | 3,978 |
| Totals, Transportation | - | - | 114,469 | - | - | 196,271 | - | - | 205,559 |
| TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING | - | - | 114,469 | - | - | 196,271 | - | - | 205,559 |
| RESOURCES | | | | | | | | | |
| California Conservation Corps | - | - | 126 | - | - | 142 | - | - | 460 |
| Energy Resources Conservation & Dev Com | - | - | - | - | - | - | - | - | - |
| Dept of Forestry | - | - | 115 | - | - | 1,507 | - | - | 4,184 |
| Dept of Fish and Game | -1 | - | 1,746 | - | 178 | 2,116 | - | - | 2,983 |
| Wildlife Conservation Board | - | - | 1,984 | - | - | 3,943 | - | - | 6,129 |
| Dept of Boating & Waterways | - | - | - | - | - | - | - | - | - |
| State Coastal Conservancy | - | - | 185 | - | - | 10 | - | - | 465 |
| Dept of Parks and Recreation | - | - | 25,121 | - | - | 12,433 | - | - | 1,520 |
| Santa Monica Mountains Conservancy | - | - | 4,931 | - | - | 1,588 | - | - | 36,135 |
| Department of Water Resources | - | - | 6,523 | - | - | 4,851 | - | - | 7,075 |
| TOTALS, RESOURCES | -1 | - | 40,731 | 178 | - | 25,160 | - | - | 24,734 |
| HEALTH AND WELFARE | | | | | | | | | |
| Dept of Health Services | - | - | 67 | - | - | 152 | - | - | 1,735 |
| Dept of Developmental Services | - | - | 1,461 | - | - | 6,655 | - | - | 10,985 |
| Dept of Mental Health | - | - | 254 | - | - | 8,053 | - | - | 16,894 |
| Employment Development Dept | - | - | - | - | - | - | - | - | - |
| TOTALS, HEALTH AND WELFARE | - | - | 1,782 | - | - | 14,860 | - | - | 29,614 |
| YOUTH AND ADULT CORRECTIONAL AGENCY | | | | | | | | | |
| Dept of Corrections | - | - | 4,566 | - | - | 339 | - | - | 18,804 |
| Dept of Youth Authority | - | - | 1,159 | - | - | 206 | - | - | 3,758 |
| TOTALS, YOUTH AND ADULT CORRECTIONAL AGENCY | - | - | 5,725 | - | - | 545 | - | - | 22,562 |
| EDUCATION | | | | | | | | | |
| Higher Education | - | - | - | - | - | - | - | - | - |
| University of California | - | - | 13,011 | - | - | 7,147 | - | - | 55,260 |
| Hastings College of Law | - | - | - | - | - | - | - | - | 311 |
| Calif State University & Colleges | - | - | 11,793 | - | - | 13,798 | - | - | 27,767 |
| California Maritime Academy | - | - | 29 | - | - | 27 | - | - | 368 |
| Bd of Governors of Calif Comm Colleges | - | - | 8,673 | - | - | 7,449 | - | - | 26,704 |
| Totals, Higher Education | - | - | 33,506 | - | - | 28,421 | - | - | 110,410 |
| TOTALS, EDUCATION | - | - | 33,506 | - | - | 28,421 | - | - | 110,410 |

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FISCAL YEARS 1982-83, 1983-84, AND 1984-85—Continued

(Figures in Thousands)

| | Actual 1982-83 | | | | Estimated 1983-84 | | | | Estimated 1984-85 | | | | | | |
|---|---------------------------|---------------|---------------------------|----------------------------------|-------------------|---------------------------|---------------|---------------------------|----------------------------------|---------------|---------------------------|---------------|---------------------------|----------------------------------|---------------|
| | General Fund ^a | Special funds | Budget Total ^c | Selected Bond funds ^c | Federal Funds | General Fund ^a | Special funds | Budget Total ^c | Selected Bond funds ^c | Federal Funds | General Fund ^a | Special funds | Budget Total ^c | Selected Bond funds ^c | Federal Funds |
| OTHER GOVERNMENTAL UNITS | | | | | | | | | | | | | | | |
| Labor: | | | | | | | | | | | | | | | |
| Dept of Industrial Relations | - | - | - | - | - | - | - | - | - | - | - | - | 46 | 46 | - |
| Totals, Labor | - | - | - | - | - | - | - | - | - | - | - | - | 46 | 46 | - |
| Regulatory: | | | | | | | | | | | | | | | |
| California Exposition and Fairs | - | - | 156 | 156 | - | 174 | - | 75 | 75 | - | - | - | 46 | 46 | - |
| Dept of Food and Agriculture | - | - | 601 | 601 | - | - | - | - | - | - | - | - | 4,537 | 4,537 | - |
| Totals, Regulatory | - | - | 757 | 757 | - | 174 | - | 75 | 75 | - | - | - | 4,716 | 4,716 | - |
| General Administration: | | | | | | | | | | | | | | | |
| Military Department | - | - | 295 | 295 | - | 11,557 | - | 212 | 212 | - | 9,052 | - | 1,475 | 1,475 | 3,856 |
| Totals, General Administration | - | - | 295 | 295 | - | 11,557 | - | 212 | 212 | - | 9,052 | - | 1,475 | 1,475 | 3,856 |
| Totals, OTHER GOVERNMENTAL UNITS | - | - | 1,052 | 1,052 | - | 11,731 | - | 287 | 287 | - | 9,052 | - | 6,237 | 6,237 | 3,953 |
| OTHER GOVERNMENTAL SERVICES | | | | | | | | | | | | | | | |
| Unallocated: | | | | | | | | | | | | | | | |
| Unallocated Capital Outlay | - | - | 200 | 200 | - | - | 928 | 178 | 1,106 | 493 | - | - | 500 | 500 | - |
| Totals, Unallocated | - | - | 200 | 200 | - | - | 928 | 178 | 1,106 | 493 | - | - | 500 | 500 | - |
| TOTALS, OTHER GOVERNMENTAL SERVICES | - | - | 200 | 200 | - | - | 928 | 178 | 1,106 | 493 | - | - | 500 | 500 | - |
| TOTALS, CAPITAL OUTLAY | -97 | - | 215,577 | 215,480 | 130,087 | 373,974 | 1,106 | 269,749 | 518,539 | 656,450 | 94,650 | 476,980 | 571,630 | 8,593 | 812,612 |
| UNCLASSIFIED | | | | | | | | | | | | | | | |
| RESOURCES | | | | | | | | | | | | | | | |
| Dept of Boating & Waterways | - | - | 8,356 | 8,356 | - | - | - | 11,500 | 11,500 | - | - | - | 11,000 | 11,000 | - |
| TOTALS, RESOURCES | - | - | 8,356 | 8,356 | - | - | - | 11,500 | 11,500 | - | - | - | 11,000 | 11,000 | - |
| OTHER GOVERNMENTAL SERVICES | | | | | | | | | | | | | | | |
| Unallocated | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Legislative Initiatives | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals, Unallocated | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Savings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Estimated Unidentifiable Savings | - | - | - | - | - | - | - | - | - | - | - | - | -5,500 | -5,500 | - |
| Total Savings | - | - | - | - | - | - | - | - | - | - | - | - | -5,500 | -5,500 | - |
| TOTALS, OTHER GOVERNMENTAL SERVICES | - | - | - | - | - | - | - | - | - | - | - | - | -5,500 | -5,500 | - |
| NOT CLASSIFIED BY AGENCY | | | | | | | | | | | | | | | |
| Not Classified by Subagency | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Unallocated Expenditure | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTALS, NOT CLASSIFIED BY AGENCY | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTALS, UNCLASSIFIED | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL | 21,751,413 | 3,180,048 | 24,931,461 | 398,521 | 398,521 | 19,254,745 | 22,641,162 | 3,769,276 | 26,410,738 | 894,434 | 13,655,746 | 25,076,749 | 4,781,353 | 29,857,804 | 414,525 |
| State Operations | 4,556,389 | 1,575,909 | 6,132,298 | 8,679 | 8,679 | 6,069,294 | 4,729,126 | 1,859,622 | 6,557,809 | 8,747 | 6,603,330 | 5,705,472 | 2,016,287 | 7,736 | 3,462,567 |
| Local Assistance | 17,185,121 | 1,382,206 | 18,567,327 | 259,755 | 259,755 | 5,511,457 | 17,730,920 | 1,630,451 | 19,361,381 | 297,149 | 6,325,966 | 19,151,327 | 2,292,588 | 21,433,915 | 398,495 |
| Capital Outlay | -97 | 215,577 | 215,480 | 130,087 | 130,087 | 373,974 | 1,106 | 269,749 | 518,539 | 656,450 | 94,650 | 476,980 | 571,630 | 8,593 | 812,612 |
| Unclassified | - | 8,356 | 8,356 | - | - | - | - | - | - | - | - | - | - | - | - |
| BUDGET ACT TOTALS | 21,477,443 | 1,905,942 | 23,383,385 | 137,153 | 137,153 | 10,025,683 | 21,453,923 | 2,318,012 | 23,771,935 | 213,550 | 10,814,431 | 24,524,927 | 2,721,648 | 27,246,575 | 109,767 |
| BUDGET ACT ITEMS NOT INCLUDED IN TOTALS | (240) | (9,130) | (9,370) | - | - | (3,677,179) | (5,593) | (17,844) | (23,433) | - | (3,669,881) | (3,560) | (18,794) | (22,134) | (3,361,921) |
| STATUTORY APPROPRIATIONS | -21,829 | 1,136,165 | 1,114,336 | 234,562 | 234,562 | - | 88,884 | 1,261,393 | 1,351,277 | 280,490 | - | 10,601 | 2,054,803 | 2,065,404 | 297,238 |
| CONSTITUTIONAL APPROPRIATIONS | 261,965 | - | 261,965 | - | - | - | 323,932 | 323,932 | 323,932 | 391,551 | - | 391,551 | - | 391,551 | - |
| OTHER APPROPRIATIONS | 33,834 | 137,941 | 171,775 | 28,806 | 28,806 | 2,229,064 | 773,423 | 189,871 | 969,294 | 330,394 | 2,841,314 | 149,370 | 4,904 | 154,274 | 2,486,962 |

Schedule 10
SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1982, 1983, 1984, AND 1985
(In thousands)

| Fund | Reserves June 30, 1982 | Actual Income 1982-83 | Actual Expenditures 1982-83 | Transfers Between Funds | Reserves June 30, 1983 | Estimated Income 1983-84 | Estimated Expenditures 1983-84 | Transfers Between Funds | Reserves June 30, 1984 | Estimated Income 1984-85 | Estimated Expenditures 1984-85 | Transfers Between Funds | Reserves June 30, 1985 |
|---|---------------------------|-----------------------------|-----------------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------------|-------------------------------|---------------------------|
| GENERAL FUND | -\$3,076 | \$21,233,191 | \$21,751,413 | - | -\$521,298 | \$23,387,646 | \$22,641,162 | - | \$205,198 | \$25,825,471 | \$25,076,449 | - | \$84,936 |
| SPECIAL FUNDS | | | | | | | | | | | | | |
| General Fund Special Accounts¹: | | | | | | | | | | | | | |
| Property Acquisition Law Money Account | 329 | 1,710 | 1,437 | - | 882 | 425 | 683 | - | 544 | 450 | 640 | - | 354 |
| Motor Vehicle Parking Facilities Money Account | 638 | 1,448 | 1,390 | - | 686 | 2,081 | 1,952 | - | 825 | 2,125 | 2,125 | - | 825 |
| Access for Handicapped Account | 12 | 120 | 280 | - | -148 | 326 | 326 | - | 81 | 540 | 331 | - | 90 |
| Attorney General Anti-Trust Account | 2 | 296 | 296 | - | 2 | 1,000 | 931 | - | 71 | 1,000 | 381 | - | 90 |
| Hazardous Waste Control Account | -617 | 5,872 | 4,601 | - | 654 | 9,160 | 7,175 | - | 2,639 | 9,165 | 10,579 | - | 1,298 |
| Subsequent Injuries Money Account | 2 | 1,334 | 1,523 | - | 13 | 2,081 | 1,800 | - | 294 | 1,800 | 2,081 | - | 13 |
| Fingerprint Fees Account | 507 | 3,623 | 3,943 | - | 387 | 6,530 | 6,148 | - | 769 | 7,014 | 6,566 | - | 1,217 |
| State Energy Resources Conservation and Development Special Account | 3,322 | 30,822 | 31,812 | -800 | 1,532 | - | -1,532 | - | - | - | - | - | - |
| State Energy Resources Conservation and Development Reserve Account | 23 | - | 23 | - | - | 142 | 742 | - | 600 | 250 | 650 | - | - |
| State Energy Loan Fund Account | - | 45 | 1,545 | - | - | - | - | - | - | - | - | - | - |
| State Emergency Telephone Number Account | 44,741 | 23,057 | -1,500 | - | 8,974 | 25,753 | 32,503 | - | 2,224 | 23,658 | 32,554 | - | -1,882 |
| Farm Labor Contractors' Special Account | 127 | 28 | - | - | 156 | 29 | - | - | 185 | 29 | 50 | - | 104 |
| Fuel Allocation Revenue Account | 390 | - | - | - | - | - | - | - | - | - | - | - | - |
| State Motor Vehicle Insurance Account | 3,396 | 5,635 | 4,412 | - | 4,619 | 5,911 | 5,827 | - | 4,703 | 6,201 | 6,124 | - | 4,780 |
| Nuclear Planning Assessment Special Account | 603 | 564 | 1,152 | - | 15 | 869 | 884 | - | 161 | 887 | 887 | - | - |
| State Agriculture and Forestry Residue Utilization Account | 8,916 | - | 8,259 | - | 657 | - | -15 | - | - | - | - | - | 161 |
| Clean Coal Account | 4,000 | - | 2,000 | - | - | -511 | - | - | - | - | - | - | - |
| State Energy Conservation Assistance Account | 2,291 | 316 | 1,200 | - | 1,407 | 1,709 | -235 | - | 3,351 | 1,273 | -1,221 | - | - |
| Geothermal Development Account | 4,733 | 6,400 | 8,909 | - | 2,224 | 8,933 | 7,987 | - | 3,290 | 7,887 | 8,382 | - | 2,805 |
| Surface Mining and Reclamation Account | 1,054 | 1,100 | 1,134 | - | 620 | 1,100 | 1,188 | - | 531 | 1,100 | 1,241 | - | 390 |
| Special Account for Capital Outlay | 31,935 | 54,725 | 24,348 | - | 2,067 | 17,816 | 21,190 | - | -1,307 | 133,998 | 125,815 | - | 10,592 |
| Renewable Resource Energy Agricultural Account | 40 | - | 1 | - | 39 | - | 39 | - | - | - | - | - | - |
| State Transportation Fund: | | | | | | | | | | | | | |
| Aeronautics Account | 803 | 634 | 5,592 | 4,193 | 305 | 641 | 6,454 | 5,800 | 678 | 653 | 7,442 | 5,800 | 125 |
| State Highway Account | 116,721 | 341,417 | 812,446 | 92,200 | 153,367 | 336,303 | 917,409 | -30 | 287,247 | 424 | 984,692 | -30 | 178,007 |
| Motor Vehicle Account | 70,398 | 579,483 | 518,467 | 4,823 | 44,682 | 613,882 | 564,653 | 592,880 | 40,934 | 366,576 | 545,740 | 5,954 | 43,667 |
| Bicycle Lane Account | 100 | 188 | 517 | 360 | 131 | 130 | 601 | -24 | 20 | 100 | 460 | 380 | 80 |
| Transportation Planning and Development Account | 12,788 | 158,723 | 140,994 | 30 | -1,069 | 166,812 | 158,472 | 8,010 | 11 | 140,420 | 148,685 | 30 | 530 |
| Abandoned Railroad Account | 7,723 | -39,216 | 2,256 | 7,600 | 5,945 | -15,300 | 5,298 | - | 1,077 | -500 | 9,294 | - | 1,301 |
| California Highway Patrol Law Enforcement Account | 10,099 | 19,811 | 7,042 | - | 22,668 | 21,300 | 20,446 | - | 23,522 | 21,300 | 30,792 | - | 14,530 |
| Olympic Reflectonized License Plate Acct (W/DMV Budget) | - | - | - | - | - | 446 | 421 | - | 25 | - | 25 | - | - |
| Transportation Tax Funds: | | | | | | | | | | | | | |
| Motor Vehicle Fuel Account | 13,444 | 931,194 | 13,487 | -4,193 | 26,728 | 1,177,090 | 17,086 | -5,800 | 35,376 | 1,100,090 | 18,953 | -5,800 | 40,174 |
| Highway Users' Tax Account | - | 446,106 | - | 887,271 | - | - | 547,260 | -1,132,000 | - | - | 512,400 | -1,060,000 | - |
| | | | | -887,271 | | | | -3,029 | | | | -3,029 | |
| | | | | -8,818 | | | | -10,500 | | | | -9,600 | |
| | | | | 887,271 | | | | -27 | | | | 1,060,000 | |
| | | | | -436,305 | | | | -582,580 | | | | -845,740 | |
| | | | | -360 | | | | -360 | | | | -1,500 | |
| | | | | -1,500 | | | | -1,500 | | | | -1,500 | |

Schedule 10

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1982, 1983, 1984, and 1985—Continued
(In thousands)

| Fund | Reserves June 30, 1982 | Actual Income 1982-83 | Actual Expenditures 1982-83 | Transfers Between Funds | Reserves June 30, 1983 | Estimated Income 1983-84 | Estimated Expenditures 1983-84 | Transfers Between Funds | Reserves June 30, 1984 | Estimated Income 1984-85 | Estimated Expenditures 1984-85 | Transfers Between Funds | Reserves June 30, 1985 |
|---|---------------------------|-----------------------------|-----------------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------------|-------------------------------|---------------------------|
| Motor Vehicle License Fee Account..... | 84,220 | 766,364 | 489,352 | - | 83,656 | 1,006,000 | 621,681 | - | 82,975 | 1,207,000 | 1,224,332 | - | 63,643 |
| Feeder Funds: | | | | | | | | | | | | | |
| Cigarette Tax Fund..... | 14,257 | 80,977 | 74,486 | - | 14,228 | 79,500 | 80,000 | - | 13,728 | 77,000 | 77,000 | - | 13,728 |
| Other Governmental Cost Funds: | | | | | | | | | | | | | |
| Acupuncture Fund..... | 207 | 283 | 208 | - | 262 | 265 | 393 | - | 134 | 379 | 424 | - | 89 |
| Agriculture Fund..... | 26,695 | 23,908 | 30,743 | 4,141 | 24,001 | 40,774 | 48,895 | 3,029 | 18,851 | 41,532 | 50,763 | 3,029 | 13,731 |
| Agriculture Fund Eiland Fuel Revolving Account..... | 1,731 | 166 | 722 | - | 1,340 | 234 | 1,221 | - | 546 | 248 | 882 | - | 105 |
| Auctioneer Commission..... | - | 32 | 13 | - | 31 | 275 | 126 | - | 180 | 67 | 119 | - | 128 |
| Air Pollution Control Fund..... | 2,534 | 854 | 979 | - | 2,109 | 1,659 | 1,903 | - | 1,865 | 1,940 | 3,646 | - | 159 |
| Alcoholic Beverage Control Fund..... | 99 | 71 | 54 | - | 116 | 405 | 400 | - | 124 | 405 | 297 | - | 113 |
| Animal Health Technician Examining Committee Fund..... | -391 | 2,171 | 1,609 | - | 1,711 | 76 | 68 | - | 317 | 1,288 | 997 | - | 135 |
| Architecture Public Building Fund, School Building Program Account..... | 1,160 | 4,622 | 4,272 | - | 1,510 | 1,226 | 1,080 | - | 4,262 | 7,585 | 4,777 | - | 608 |
| Architecture Public Building Fund, Hospital Building Program Account..... | - | - | - | - | - | 7,092 | 4,940 | - | 1,277 | 3,067 | 2,972 | - | 7,060 |
| Hospital Plan Checking Act, Architecture Public Bldg Fund..... | 1,384 | - | 40,688 | - | 3,620 | 2,940 | 2,740 | - | 1,277 | 47,921 | 47,921 | - | 315 |
| Assembly Contingent Fund..... | - | - | -43,124 | - | - | 469 | -46,197 | - | 39 | 451 | -47,921 | - | 1,277 |
| Athletic Commission Fund..... | - | - | - | - | - | 6,402 | 5,330 | - | 3,672 | 4,936 | 5,592 | - | 36 |
| Automotive Repair Fund..... | 710 | 7,034 | 5,144 | - | 2,600 | 2 | 2 | - | - | 2 | - | - | 2,658 |
| AVOL Abatement Program Fund..... | 280 | - | 1 | - | 279 | - | - | -279 | 3,227 | 7,190 | 7,168 | - | - |
| Bagley Conservation Fund..... | 3,135 | 5,754 | 6,006 | - | 2,883 | 7,654 | 7,310 | - | 3,433 | 23,754 | 22,002 | -4,200 | 2,819 |
| State Banking Fund..... | 3,562 | 16,208 | 9,304 | -4,628 | 5,638 | 20,932 | 19,344 | -3,761 | 3,433 | 23,754 | 22,002 | -4,200 | 1,025 |
| California Environmental License Plate Fund..... | - | - | - | - | - | - | - | -12 | - | - | - | - | - |
| California Health Facilities Commission Fund..... | 308 | 3,683 | 3,211 | - | 780 | 3,464 | 3,674 | - | 600 | 3,480 | 3,580 | - | 200 |
| California Water Fund..... | 5,258 | 15,816 | 8,414 | - | 2,660 | 830 | 3,473 | - | 17 | 27,025 | 26,987 | - | 55 |
| Capital Outlay Fund for Public Higher Education..... | 10,514 | 64,033 | 64,033 | - | 10,904 | 69,635 | 50,913 | - | 29,626 | 95,374 | 110,410 | - | 14,580 |
| Chiropractic Examiners Fund..... | 117 | 565 | 580 | - | 102 | 713 | 666 | - | 149 | 746 | 687 | - | 206 |
| Collection Agency Fund..... | 227 | 566 | 516 | - | 277 | 546 | 546 | - | 377 | 539 | 642 | - | 174 |
| Contingent Funds of the Assembly and Senate..... | 8,070 | 56 | 17,280 | - | 4,843 | 170 | 19,000 | 884 | 3,951 | - | 18,978 | - | 3,951 |
| Community College Credentials Fund..... | 60 | 415 | 520 | - | -45 | 552 | 507 | -1 | -1 | 552 | 527 | - | 24 |
| Corrections Training Fund..... | 3,655 | 3,897 | 6,932 | - | 620 | 8,628 | 8,214 | -2 | 1,232 | 10,178 | 8,770 | - | 2,640 |
| California Debt Advisory Commission Fund..... | 325 | 1,495 | 564 | - | 1,196 | 1,090 | 625 | - | 1,661 | 1,000 | 661 | - | 2,000 |
| Developmental Disabilities Program Development Fund..... | 925 | 1,534 | 1,160 | - | 1,299 | 2,153 | 2,618 | - | 1,434 | 2,096 | 2,975 | - | 555 |
| Dispensing Opticians Fund..... | - | - | 40 | 73 | 33 | 247 | 136 | - | 144 | 79 | 145 | - | 78 |
| Driver Training Penalty Assessment Fund..... | 106 | 31,883 | 1,907 | - | - | 28,556 | 2,081 | -4,000 | - | 33,179 | 19,180 | - | - |
| Bureau of Employment Agencies' Fund..... | 606 | 540 | 551 | - | 595 | 616 | 522 | - | 689 | 687 | 537 | - | 609 |
| Benefit Audit Fund..... | -1,548 | 15,902 | 13,354 | - | 1,000 | 12,275 | 12,275 | - | 1,000 | 1,000 | 1,000 | - | 1,000 |
| Employment Development Contingent Fund..... | -7,768 | 64,066 | 50,357 | - | 3,015 | 24,048 | 23,257 | - | 3,886 | 11,988 | 11,988 | -3,886 | - |
| Energy and Resources Fund..... | 3,629 | 17,758 | 16,625 | - | 1,337 | 18,378 | 16,129 | -4 | 3,582 | 19,375 | 16,035 | - | 8,922 |
| Fair and Exposition Fund..... | - | - | - | - | - | 312 | 296 | - | 16 | 365 | 365 | - | 18 |
| CA Fire Services Training and Education Fund..... | 7,573 | 43,229 | 42,594 | - | 8,208 | 48,538 | 50,873 | -29 | 6,144 | 49,859 | 50,285 | - | 2,706 |
| Fish and Game Preservation Fund..... | 3,991 | 9,025 | 9,288 | - | 3,718 | 11,047 | 10,295 | - | 4,241 | 13,067 | 12,563 | - | 4,743 |
| Genetic Disease Testing Fund..... | - | - | - | - | - | -293 | - | - | - | - | - | - | - |
| Geology and Geophysics Fund..... | 93 | 343 | 145 | - | 291 | 29 | 150 | - | 170 | 346 | 165 | - | 330 |
| Hearing Aid Dispensers' Fund..... | 140 | 151 | 92 | - | 159 | 163 | 113 | - | 249 | 178 | 139 | - | 988 |
| Hazardous Liquid Pipeline Safety Fund..... | - | - | - | - | - | 528 | 173 | - | 335 | 528 | 800 | - | 83 |
| Restitution Fund..... | 276 | 28,670 | 25,851 | - | 3,095 | 25,660 | 24,913 | -16 | 6,458 | 29,961 | 16,602 | - | 19,617 |

Schedule 10
SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1982, 1983, 1984, and 1985—Continued
(In thousands)

| Fund | Reserves June 30, 1982 | Actual Income 1982-83 | Actual Expenditures 1982-83 | Transfers Between Funds | Reserves June 30, 1983 | Estimated Income 1983-84 | Estimated Expenditures 1983-84 | Transfers Between Funds | Reserves June 30, 1984 | Estimated Income 1984-85 | Estimated Expenditures 1984-85 | Transfers Between Funds | Reserves June 30, 1985 |
|---|---------------------------|-----------------------------|-----------------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------------|-------------------------------|---------------------------|
| Industrial Development Fund..... | 50 | 97 | 153 | - | -6 | 344 | 333 | - | 5 | 360 | 325 | - | 40 |
| Industrial Construction Enforcement Fund..... | 274 | 414 | 416 | - | 272 | 414 | 414 | - | 182 | 414 | 529 | - | 87 |
| Insurance Fund..... | - | - | - | - | - | 18,874 | 16,965 | 83 | 1,992 | 20,271 | 18,154 | - | 4,109 |
| Insurance Commissioner's Regulatory Trust Fund..... | 71 | 334 | 522 | - | 83 | 55 | 59 | - | - | 61 | 61 | - | - |
| Local Agency Deposit Fund..... | -5 | 64 | 55 | - | 4 | 1,883 | 1,771 | - | - | 1,883 | 1,927 | - | 271 |
| Mobile Home Park Revolving Fund..... | -18 | 1,827 | 1,570 | - | 229 | 431 | 431 | - | 333 | 569 | 563 | - | 437 |
| Local Public Prosecutors and Public Defenders Training Fund..... | - | - | - | - | - | 600 | 4,500 | - | 4,036 | 500 | 4,500 | - | 36 |
| Natural Disaster Assistance Fund: Public Facilities Account..... | 14,048 | 751 | 6,863 | - | 7,936 | 600 | 3,500 | - | 17,991 | 1,400 | 3,500 | - | 15,981 |
| Natural Disaster Assistance Fund: Street and Highway Account..... | 21,664 | 1,511 | 3,094 | - | 20,091 | 1,400 | 3,500 | - | 260 | 263 | - | - | 543 |
| 1983 Natural Disaster Account, Natural Disaster Assistance Fund..... | - | - | - | - | - | 250 | -5,000 | - | - | - | - | - | - |
| Nurses' Registry Fund..... | 32 | 7 | 13 | - | 46 | 7 | 18 | - | 35 | 6 | 17 | - | 34 |
| Nursing Home Administrator's State License Examining Board Fund..... | 88 | 428 | 188 | - | 328 | 85 | 245 | - | 168 | 431 | 255 | - | 344 |
| Off-Highway License Fee Fund..... | 394 | 643 | 582 | - | 445 | 706 | 686 | - | 465 | 634 | 614 | - | 465 |
| Off-Highway Vehicle Fund..... | 15,358 | 4,065 | 5,925 | 8,818 | 10,316 | 2,972 | 23,385 | 10,540 | 403 | 3,202 | 9,778 | 9,600 | 3,427 |
| Osteopathic Examiners' Contingent Fund..... | 154 | 354 | 273 | - | 235 | 362 | 308 | - | 289 | 372 | 338 | - | 323 |
| Peace Officers' Training Fund..... | 7,960 | 20,414 | 22,083 | - | 2,854 | 26,892 | 26,232 | - | 3,504 | 31,609 | 32,244 | - | 2,669 |
| Physician's Assistants Fund..... | 231 | 181 | 146 | - | 266 | 337 | 172 | - | 431 | 183 | 183 | - | 431 |
| Pilot Commissioners' Fund..... | 113 | 58 | 64 | - | 107 | 91 | 83 | - | 115 | 92 | 80 | - | 127 |
| Podiatry Fund..... | 168 | 284 | 212 | - | 230 | 336 | 288 | - | 288 | 320 | 308 | - | 280 |
| Polygraph Examiners Fund..... | - | - | - | - | - | 60 | 50 | - | 60 | 121 | 128 | - | 53 |
| Professional Forester Registration Fund..... | 130 | 89 | 60 | - | 159 | 89 | 85 | - | 163 | 89 | 89 | - | 163 |
| Private Postsecondary Administration Fund..... | - | 691 | 999 | - | 392 | 560 | 712 | - | 240 | 590 | 719 | - | 111 |
| Psychology Fund..... | 336 | 713 | 495 | - | 554 | 778 | 636 | - | 686 | 788 | 619 | - | 882 |
| Radio/Telephone Utility Rate Fund..... | - | 60 | 27 | - | 33 | 60 | 36 | - | 37 | 60 | 97 | - | 60 |
| Respiratory Care Fund..... | - | - | - | - | - | 632 | 430 | - | 232 | 849 | 451 | - | 600 |
| Professional and Vocational Funds: | | | | | | | | | | | | | |
| Tax Preparers Fund..... | 21 | 135 | 25 | - | 131 | 639 | 251 | - | 509 | 728 | 274 | - | 963 |
| Accountancy Fund..... | 2,165 | 2,899 | 1,956 | - | 2,528 | 2,400 | 2,065 | - | 2,863 | 2,565 | 2,228 | - | 3,200 |
| Board of Architectural Examiners' Fund..... | 1,465 | 879 | 1,299 | - | 1,135 | 2,119 | 1,185 | - | 2,069 | 854 | 1,230 | - | 1,883 |
| Board of Barber Examiners' Fund..... | 1,154 | 212 | 57 | - | 799 | 1,024 | 645 | - | 1,178 | 178 | 653 | - | 703 |
| Cemetery Fund..... | 78 | 240 | 191 | - | 127 | 245 | 220 | - | 132 | 250 | 231 | - | 171 |
| Contractors' License Fund..... | 2,978 | 18,095 | 14,581 | - | 6,883 | 20,501 | 15,496 | - | 11,898 | 22,021 | 15,596 | - | 19,323 |
| Board of Cosmetology Contingent Fund..... | 3,545 | 2,573 | 2,278 | - | 3,840 | 2,253 | 2,350 | - | 3,753 | 2,964 | 2,503 | - | 3,514 |
| Dentistry Fund..... | 1,306 | 1,517 | 1,478 | - | 1,245 | 1,644 | 1,837 | - | 1,892 | 1,535 | 1,893 | - | 704 |
| Fabric Care Fund..... | 757 | 1,110 | 632 | - | 1,235 | 380 | 797 | - | 788 | 1,161 | 831 | - | 1,118 |
| Funeral Directors' and Embalmers' Fund..... | 343 | 355 | 441 | - | 257 | 342 | 496 | - | 113 | 334 | 306 | - | 81 |
| Bureau of Home Furnishings Fund..... | 990 | 1,752 | 1,169 | - | 1,573 | 813 | 1,381 | - | 1,005 | 1,066 | 1,449 | - | 622 |
| Board of Landscape Architects Fund..... | 122 | 97 | 194 | - | 25 | 431 | 221 | - | 235 | 134 | 230 | - | 139 |
| Contingent Fund of the Board of Medical Quality Assurance..... | 5,923 | 10,176 | 9,445 | -73 | 6,581 | 10,931 | 11,425 | -17 | 6,070 | 11,214 | 12,189 | - | 5,095 |
| Physical Therapy Fund..... | 520 | 124 | 224 | - | 420 | 423 | 255 | - | 578 | 358 | 273 | - | 563 |
| Registered Nursing Fund..... | 397 | 3,613 | 3,327 | - | 613 | 3,757 | 3,823 | - | 557 | 3,815 | 3,922 | - | 470 |
| Optometry Fund..... | 388 | 113 | 359 | - | 242 | 358 | 279 | - | 321 | 383 | 285 | - | 409 |
| Pharmacy Board Contingent Fund..... | 212 | 2,082 | 1,667 | - | 627 | 1,975 | 1,883 | - | 719 | 1,965 | 2,178 | - | 496 |
| Private Investigator and Adjuster Fund..... | 1,102 | 1,418 | 1,259 | - | 921 | 1,726 | 2,480 | - | 1,67 | 1,137 | 2,471 | - | 1,174 |
| Professional Engineers Fund..... | 2,481 | 1,164 | 1,791 | - | 1,854 | 1,923 | 2,268 | - | 1,509 | 2,012 | 2,347 | - | 1,174 |
| Shorthand Reporters' Fund..... | 390 | 478 | 163 | -281 | 634 | 535 | 596 | -290 | 666 | 539 | 303 | -300 | 702 |
| Behavioral Science Examiners Fund..... | 830 | 469 | 514 | - | 785 | 489 | 586 | - | 688 | 510 | 704 | - | 494 |
| Structural Pest Control Fund..... | 535 | 2,448 | 1,545 | - | 1,637 | 2,332 | 1,896 | - | 2,073 | 2,555 | 1,935 | - | 2,692 |
| Board of Veterinary Examiners' Contingent Fund..... | 535 | 306 | 389 | - | 332 | 747 | 460 | - | 639 | 266 | 469 | - | 375 |
| Vocational Nurse and Psychiatric Technician Examiners' Fund—Vocational Nurse Account..... | 454 | 2,281 | 1,408 | - | 1,327 | 2,575 | 1,743 | - | 2,154 | 2,592 | 1,858 | - | 3,195 |

Schedule 10
SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1982, 1983, 1984, and 1985—Continued
(In thousands)

| Fund | Reserves June 30, 1982 | Actual Income 1982-83 | Actual Expenditures 1982-83 | Transfers Between Funds | Reserves June 30, 1983 | Estimated Income 1983-84 | Estimated Expenditures 1983-84 | Transfers Between Funds | Reserves June 30, 1984 | Estimated Income 1984-85 | Estimated Expenditures 1984-85 | Transfers Between Funds | Reserves June 30, 1985 |
|--|---------------------------|-----------------------------|-----------------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------------|-------------------------------|---------------------------|--------------------------------|--------------------------------------|-------------------------------|---------------------------|
| Vocational Nurse and Psychiatric Technician Examiners' Fund—Psychiatric Technicians Account..... | 438 | 389 | 327 | - | 500 | 430 | 406 | - | 524 | 463 | 420 | - | 567 |
| Real Estate Fund..... | 2,963 | 14,780 | 13,608 | - | 4,140 | 17,560 | 17,463 | -8 | 4,229 | 20,132 | 17,589 | - | 6,472 |
| Electronic and Appliance Repair Fund..... | 274 | 956 | 824 | - | 406 | 962 | 964 | - | 404 | 1,005 | 998 | - | 411 |
| Sanitarian Registration Fund..... | - | - | - | - | - | 134 | 40 | - | 94 | 59 | 81 | - | 72 |
| Savings and Loan Inspection Fund..... | 2,317 | 3,474 | 3,001 | - | 2,790 | 2,732 | 3,690 | -4 | 1,858 | 3,487 | 4,357 | - | 990 |
| State School Fund..... | 17,251 | 25,633 | 42,884 | - | - | 28,900 | 28,900 | - | - | 28,900 | 28,900 | - | - |
| State School Building Lease-Purchase Fund..... | 15,775 | 101,392 | 1,149 | - | -8,982 | 1,400 | 5,990 | - | 1,000 | 101,500 | 101,500 | - | 1,000 |
| | | -125,000 | | | | | -16,260 | | | | | | |
| School Building Safety Fund..... | - | 893 | -755 | - | - | 896 | 1,719 | - | - | 929 | -724 | - | - |
| | | | 1,648 | | | | -755 | | | | 1,653 | | |
| Senate Contingent Fund..... | 6,651 | - | 27,815 | - | 6,438 | - | 1,651 | - | 2,620 | - | 34,340 | - | 226 |
| | | | -27,602 | | | | 33,993 | | | | -31,946 | | |
| Solid Waste Management Fund..... | 2,359 | 6 | 1,081 | - | 1,294 | -1,294 | - | - | - | - | - | - | - |
| Speech Pathology and Audiology Examining Committee Fund..... | 236 | 63 | 146 | - | 215 | 221 | 138 | - | 278 | 56 | 166 | - | 168 |
| State Bicycle License and Registration Fund..... | 13 | 26 | 4 | - | 35 | 30 | 30 | - | 29 | 22 | 31 | - | 28 |
| State Dental Auxiliary Fund..... | 198 | 462 | 380 | - | 280 | 457 | 425 | - | 312 | 483 | 540 | - | 253 |
| State Parks and Recreation Fund..... | 36,229 | 19,628 | 27,395 | 1,500 | 10,208 | 32,771 | 36,871 | 1,500 | 7,870 | 29,303 | 30,803 | 1,500 | 7,870 |
| | | -19,754 | | | | | | | | | | | |
| Strong Motion Instrumentation Special Fund..... | 399 | 965 | 1,016 | - | 348 | 1,550 | 1,596 | - | 392 | 1,600 | 1,638 | - | 244 |
| Teacher Credentials Fund..... | 1,579 | 5,301 | 4,860 | - | 2,020 | 4,790 | 5,528 | - | 1,282 | 4,729 | 5,945 | - | 66 |
| Transcript Reimbursement Fund..... | 193 | 11 | 198 | 281 | 287 | 39 | 261 | 280 | 355 | 30 | 284 | 300 | 441 |
| Universal Telephone Service Fund..... | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transportation Rate Fund..... | 4,732 | 11,392 | 11,453 | - | 4,671 | 14,566 | 13,373 | - | 5,964 | 18,109 | 18,109 | - | 7,278 |
| Mobilehome & Commercial Coach License Fee Act..... | 1,976 | 28,126 | 25,500 | - | 4,602 | 25,000 | 27,569 | - | 2,033 | 15,239 | 13,827 | - | 1,749 |
| Vehicle Inspection Fund..... | 3,741 | 15,212 | 16,368 | - | 2,585 | 25,078 | 25,416 | - | 2,247 | 36,241 | 22,684 | - | 19,996 |
| Victim Witness Assistance Fund..... | - | - | - | - | - | 4,790 | 298 | -2,632 | 1,950 | 11,160 | 11,160 | - | 1,631 |
| Wildlife Restoration Fund..... | 4,871 | 1,461 | -248 | - | 6,390 | 1,638 | 4,457 | -3 | 3,758 | 1,454 | 3,814 | - | 1,588 |
| Sedamic Gas Valve Certification Act..... | - | - | 3 | - | -3 | 68 | 65 | - | - | 69 | 69 | - | - |
| Hazardous Substances Account..... | 1,459 | 10,306 | 6,811 | - | 4,954 | 46,623 | 49,600 | -2 | 1,980 | 10,300 | 10,000 | - | 2,980 |
| Elevator Safety Inspection Act..... | 1,922 | 1,490 | 1,687 | - | 1,035 | 1,577 | 2,147 | - | 465 | 1,950 | 2,183 | - | 212 |
| Pressure Vessel Inspection Act..... | 2,083 | 1,928 | 2,169 | - | 1,944 | 2,340 | 3,117 | -2 | 1,063 | 2,340 | 3,183 | - | 280 |
| Mortgage Bond Allocation Fee Account..... | - | 26 | 5 | - | 21 | 11 | 15 | - | 17 | 12 | 15 | - | 14 |
| Farmlands Mapping Account..... | - | - | - | - | - | 679 | 679 | - | - | 450 | 450 | - | - |
| Dealers Record of Sale Account..... | - | 586 | 586 | - | - | 2,600 | 3,390 | - | -790 | 4,683 | 3,544 | - | 399 |
| Public Commission Transportation Reimbursement Account..... | - | - | - | - | - | - | - | - | - | 35 | 601 | - | 4 |
| Underground Tank Storage Fund..... | - | - | - | - | - | - | - | - | - | - | -850 | - | - |
| Public Utility Commission Utility Reimbursement Account..... | - | 702 | 1,502 | 800 | - | 15,392 | 21,095 | 5,400 | -546 | 23,775 | 23,118 | -400 | 1,711 |
| | | | | | | | | | | | | | |
| First Offender Program Evaluation Fund..... | - | - | - | - | - | 278 | 110 | -243 | 168 | 303 | 250 | - | 221 |
| State Fair Police Special Account..... | - | 6 | - | - | 6 | 6 | 6 | - | 12 | 6 | 12 | - | 6 |
| Energy Resources Programs Account..... | - | - | - | - | - | 31,496 | 23,000 | -600 | 171 | 32,298 | 27,873 | 400 | 764 |
| | | | | | | -3,800 | | 1,532 | | -3,800 | | -400 | |
| | | | | | | | | -5,400 | | | | | |
| | | | | | | | | -27 | | | | | |
| Underground Container Inventory Account..... | - | - | - | - | - | - | - | - | - | 750 | 617 | - | 133 |
| Unspecified Special Funds: | | | | | | | | | | | | | |
| Augmentation for Employee Compensation..... | - | - | - | - | - | - | 26,381 | - | -26,381 | - | 122,471 | - | -140,882 |
| Payment of Specified Attorney Fees..... | - | - | - | - | - | - | 100 | - | -100 | - | 100 | - | -200 |
| Department of General Services..... | - | - | - | - | - | - | 199 | - | -199 | - | 199 | - | -199 |
| Reserve for Contingencies and Emergencies..... | - | - | - | - | - | - | 1,026 | - | -1,026 | - | 1,500 | - | -2,526 |
| Unallocated Reductions, Various Departments..... | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTALS, SPECIAL FUNDS ² | \$713,126 | \$3,857,572 | \$3,180,044 | - | \$590,954 | \$3,791,993 | \$3,769,274 | - | \$613,673 | \$4,615,562 | \$4,781,356 | - | \$450,579 |
| GRAND TOTALS ² | \$710,050 | \$24,291,063 | \$24,931,487 | - | \$69,656 | \$27,159,639 | \$26,410,436 | - | \$818,859 | \$30,444,033 | \$29,857,856 | - | \$1,405,081 |

¹ Additional General Fund special accounts are listed under "Other Governmental Cost Funds" and designated as accounts.

² Amounts included in this schedule for revenues and expenditures may not agree with those shown in Schedules 2 and 3 due to rounding.

Schedule 11

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY

| Fund | June 30, 1982 | | | | June 30, 1983 | | | |
|---|---------------|--------------|-------------------|-----------|---------------|--------------|-------------------|-----------|
| | Cash * | Securities * | Investment Fund * | Totals * | Cash * | Securities * | Investment Fund * | Totals * |
| NONGOVERNMENTAL COST FUNDS | | | | | | | | |
| Public Service Enterprise Funds | | | | | | | | |
| Antioch and Carquinez Straits Bridge Toll Revenue Fund | \$3 | \$3,468 | \$4,692 | \$8,163 | \$8 | \$3,469 | \$7,093 | \$10,570 |
| California Housing Finance Fund | 8 | 475,842 | 159,093 | 634,943 | 26 | 473,580 | 221,839 | 695,445 |
| California Water Resources Development Bond Fund | 192 | - | 87,016 | 87,208 | 372 | - | 57,908 | 58,280 |
| California National Guard Members Farm and Home Fund of 1978 | 2 | 9,983 | 1,816 | 11,801 | 12 | 485 | 3,842 | 4,339 |
| Carquinez Straits Bridges Construction Fund | 1 | - | 1 | 2 | - | - | - | - |
| Central Valley Water Project Construction Fund | 136 | - | 204,454 | 204,590 | 1,056 | 143,966 | 343,872 | 488,894 |
| Central Valley Water Project Revenue Fund | 169 | - | 22,098 | 22,267 | 20,285 | - | 36,303 | 56,588 |
| Compensation Insurance Fund | 10 | 1,332,524 | 21,484 | 1,354,018 | 11 | 1,307,201 | 56,749 | 1,363,961 |
| Employment Training Fund | 1,038 | - | - | - | 2 | - | 28,230 | 29,232 |
| Harbor Bond Sinking Fund | 500 | - | - | - | 1,643 | - | - | 1,643 |
| Harbors and Watercraft Revolving Fund | 1 | - | 27,352 | 27,852 | 502 | - | 27,145 | 27,647 |
| India Basin Sinking Fund | 1 | - | - | - | - | - | - | - |
| Health Facility Construction Loan Insurance Fund | 1 | - | 13,447 | 13,448 | 2 | - | 19,911 | 19,913 |
| New Antioch Bridge Construction Fund | 1 | - | 17,710 | 17,711 | - | - | 19,175 | 19,176 |
| Richmond-San Rafael Toll Revenue Fund | 1 | - | - | - | 1 | - | 3,522 | 3,523 |
| San Diego-Coronado Bridge Construction Fund | 2 | - | 698 | 700 | 11 | - | 205 | 216 |
| San Francisco-Oakland Bay Bridge Construction Fund | - | - | - | - | - | - | - | - |
| San Francisco-Oakland Bay Bridge Toll Revenue Fund | 16 | - | 161 | 177 | 26 | - | 121 | 147 |
| San Francisco Seawall Sinking Fund No. 2 | 124 | - | - | 124 | 122 | - | - | 122 |
| San Francisco Seawall Sinking Fund No. 3 | 156 | - | - | 156 | 153 | - | - | 153 |
| San Francisco Seawall Sinking Fund No. 4 | - | - | - | - | - | - | - | - |
| Small Craft Harbor Bond Fund | 1 | - | 32 | 33 | 2 | - | 31 | 33 |
| Small Craft Harbor Improvement Fund | 10 | - | 1,971 | 1,981 | 10 | - | 1,516 | 1,526 |
| State Coastal Conservancy Fund | 2,104 | - | - | 2,104 | 634 | - | - | 634 |
| Uninsured Employers Fund | 3,283 | - | - | 3,283 | 2,513 | - | - | 2,513 |
| State University and Colleges Continuing Education Revenue Fund | 25 | - | 15,284 | 15,309 | 51 | - | 18,456 | 18,507 |
| State University and Colleges Dormitory Building Maintenance and Equipment Reserve Fund | 21 | - | 10,099 | 10,120 | 30 | - | 16,116 | 16,146 |
| State University and Colleges Dormitory Construction Fund | 188 | - | 12,001 | 12,189 | 394 | - | 25,466 | 25,860 |
| State University and Colleges Dormitory Interest and Redemption Fund | 20 | - | 14,220 | 14,240 | 41 | - | 16,461 | 16,502 |
| State University and Colleges Dormitory Revenue Fund | 674 | - | 32,646 | 33,320 | 713 | - | 38,459 | 39,172 |
| State University and Colleges Facilities Revenue Fund | 1 | - | 259 | 260 | 2 | - | 289 | 291 |
| State University and Colleges Parking Revenue Fund | 1 | - | 2,003 | 2,004 | 2 | - | 2,178 | 2,180 |
| Toll Bridge Construction Fund | 5 | 18,543 | 82,856 | 101,404 | 9 | 13,630 | 73,151 | 86,790 |
| Unemployment Compensation Disability Fund | 6 | - | 231,578 | 231,584 | 11 | - | 207,578 | 207,589 |
| Veterans Debenture Revenue Fund | 1 | 33,537 | 16,566 | 50,104 | 2 | 33,634 | 23,228 | 56,864 |
| Veterans Indemnity Fund | 103 | - | 293,561 | 293,664 | 111 | - | 4,124 | 4,125 |
| Indemnity—Veterans Fund | - | - | - | - | - | - | 258,509 | 258,620 |
| Veterans Farm and Home Building Fund of 1943 | - | - | - | - | - | - | - | - |
| Veterans Farm and Home Building Fund of 1970 | - | - | - | - | - | - | - | - |
| Vincent Thomas Bridge Construction Fund ¹ | 1 | - | 547 | 548 | - | - | - | - |
| Vincent Thomas Bridge Toll Revenue Fund | - | - | 737 | 737 | 1 | - | 663 | 664 |

¹ Merged with Vincent Thomas Bridge Toll Revenue Fund

* Dollars in thousands

Schedule 11

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY—Continued

| Fund | June 30, 1982 | | | June 30, 1983 | | |
|--|---------------|--------------|---------------------------------|---------------|--------------|---------------------------------|
| | Cash * | Securities * | Surplus Money Investment Fund * | Cash * | Securities * | Surplus Money Investment Fund * |
| Working Capital and Revolving Funds | | | | | | |
| Agriculture Building Fund | 561 | - | - | 561 | - | - |
| Architecture Revolving Fund | 96,984 | - | - | 96,984 | - | - |
| Ballot Paper Revolving Fund | 302 | - | - | 302 | - | - |
| California Industries for the Blind Manufacturing Fund | 14 | - | - | 14 | - | - |
| Community College District Organization Revolving Fund | 200 | - | - | 200 | - | - |
| Corrections Industries Revolving Fund | 215 | - | - | 215 | - | - |
| County Formation Revolving Fund | 152 | - | - | 152 | - | - |
| General Obligation Bond Expense Revolving Fund | 7 | - | - | 7 | - | - |
| Health and Welfare Agency Data Center Revolving Fund | 911 | - | - | 911 | - | - |
| Housing Predevelopment Loan Fund | - | - | 1,417 | - | - | 1,417 |
| Mobilehome Manufactured Home Revolving Fund | 1 | - | 1,704 | 2 | - | 1,705 |
| Old Age and Survivors Insurance Revolving Fund | 3,042 | - | - | 3,042 | - | - |
| Public Building Construction Fund | 32 | - | 5,578 | 89 | - | 5,610 |
| Public School District Organization Revolving Fund | 294 | - | - | 294 | - | - |
| Revolving Loan Fund | 3 | - | - | 4 | - | - |
| Rehabilitation Revolving Loan Guarantee Fund | - | - | 335 | - | - | 373 |
| Service Revolving Fund | 9,949 | - | - | 9,949 | - | - |
| Solar Energy Revolving Loan Fund | 172 | - | - | 172 | - | - |
| State Clean Water Grants Administration Revolving Fund | 254 | - | - | 254 | - | - |
| State Expenditure Revolving Fund | 7,859 | - | - | 7,859 | - | - |
| State Payroll Revolving Fund | 482,016 | - | - | 482,016 | - | - |
| State Personnel Board Cooperative Personnel Services Fund | 193 | - | - | 193 | - | - |
| Prison Industries Revolving Fund | - | - | - | - | - | - |
| State Water Quality Control Fund | 5,002 | - | - | 5,002 | - | - |
| Surplus Property Revolving Fund | 25 | - | 9,939 | 25 | - | 9,964 |
| Surplus Money Investment Fund | 2,621,209 | - | -2,525,363 | 2,709,111 | - | 10,518 |
| Stephen P. Teale CDC Revolving Fund | 3,634 | - | - | 3,634 | - | - |
| University of California Teaching Hospital Fund | - | - | - | - | - | - |
| Water Resources Revolving Fund | 50 | - | 4,658 | 50 | - | 362 |
| Water Resources Control Board Revolving Fund | 83 | - | - | 83 | - | - |
| Welfare Advance Fund | - | - | - | - | - | - |
| Bond Funds | | | | | | |
| California Safe Drinking Water Fund | 21,481 | - | - | 21,481 | - | - |
| Health Science Facilities Construction Program Fund | - | - | 3,075 | - | - | 1,593 |
| Parklands Fund of 1980 | 30,265 | - | - | 30,265 | - | - |
| New Prison Construction Fund | - | - | - | - | - | - |
| Public School Building Loan Fund | - | - | - | - | - | - |
| Recreation & Fish & Wildlife Enhancement Fund | 6,019 | - | - | 6,019 | - | - |
| California Alternative Energy Source Fund | 18 | - | - | 18 | - | - |
| State Beach, Park, Recreational and Historical Facilities Fund | 2,615 | - | - | 2,615 | - | - |
| State Beach, Park, Recreational and Historical Facilities Fund of 1974 | 3,584 | - | - | 3,584 | - | - |
| State Clean Water Fund | 29,909 | - | - | 29,909 | - | - |
| State Construction Program Fund | 2,943 | - | - | 2,943 | - | - |
| State Clean Water and Water Conservation Fund | 16,083 | - | - | 16,083 | - | - |
| State School Building Aid Fund | 29,915 | - | - | 29,915 | - | - |
| State, Urban, and Coastal Park Fund | 40,165 | - | - | 40,165 | - | - |
| State School Building Lease-Purchase Fund | 6,049 | - | - | 6,049 | - | - |
| Totals * | | | | | | |
| | 561 | - | - | 561 | - | - |
| | 96,984 | - | - | 96,984 | - | - |
| | 302 | - | - | 302 | - | - |
| | 14 | - | - | 14 | - | - |
| | 200 | - | - | 200 | - | - |
| | 215 | - | - | 215 | - | - |
| | 152 | - | - | 152 | - | - |
| | 7 | - | - | 7 | - | - |
| | 911 | - | - | 911 | - | - |
| | - | - | 1,417 | - | - | 1,417 |
| | 1 | - | 1,704 | 2 | - | 1,705 |
| | 3,042 | - | - | 3,042 | - | - |
| | 32 | - | 5,578 | 89 | - | 5,610 |
| | 294 | - | - | 294 | - | - |
| | 3 | - | - | 4 | - | - |
| | - | - | 335 | - | - | 373 |
| | 9,949 | - | - | 9,949 | - | - |
| | 172 | - | - | 172 | - | - |
| | 254 | - | - | 254 | - | - |
| | 7,859 | - | - | 7,859 | - | - |
| | 482,016 | - | - | 482,016 | - | - |
| | 193 | - | - | 193 | - | - |
| | - | - | - | - | - | - |
| | 5,002 | - | - | 5,002 | - | - |
| | 25 | - | 9,939 | 25 | - | 9,964 |
| | 2,621,209 | - | -2,525,363 | 2,709,111 | - | 10,518 |
| | 3,634 | - | - | 3,634 | - | - |
| | - | - | - | - | - | - |
| | 50 | - | 4,658 | 50 | - | 362 |
| | 83 | - | - | 83 | - | - |
| | - | - | - | - | - | - |
| | 21,481 | - | - | 21,481 | - | - |
| | - | - | 3,075 | - | - | 1,593 |
| | 30,265 | - | - | 30,265 | - | - |
| | - | - | - | - | - | - |
| | 6,019 | - | - | 6,019 | - | - |
| | 18 | - | - | 18 | - | - |
| | 2,615 | - | - | 2,615 | - | - |
| | 3,584 | - | - | 3,584 | - | - |
| | 29,909 | - | - | 29,909 | - | - |
| | 2,943 | - | - | 2,943 | - | - |
| | 16,083 | - | - | 16,083 | - | - |
| | 29,915 | - | - | 29,915 | - | - |
| | 40,165 | - | - | 40,165 | - | - |
| | 6,049 | - | - | 6,049 | - | - |
| Totals * | | | | | | |
| | 561 | - | - | 561 | - | - |
| | 96,984 | - | - | 96,984 | - | - |
| | 302 | - | - | 302 | - | - |
| | 14 | - | - | 14 | - | - |
| | 200 | - | - | 200 | - | - |
| | 215 | - | - | 215 | - | - |
| | 152 | - | - | 152 | - | - |
| | 7 | - | - | 7 | - | - |
| | 911 | - | - | 911 | - | - |
| | - | - | 1,417 | - | - | 1,417 |
| | 1 | - | 1,704 | 2 | - | 1,705 |
| | 3,042 | - | - | 3,042 | - | - |
| | 32 | - | 5,578 | 89 | - | 5,610 |
| | 294 | - | - | 294 | - | - |
| | 3 | - | - | 4 | - | - |
| | - | - | 335 | - | - | 373 |
| | 9,949 | - | - | 9,949 | - | - |
| | 172 | - | - | 172 | - | - |
| | 254 | - | - | 254 | - | - |
| | 7,859 | - | - | 7,859 | - | - |
| | 482,016 | - | - | 482,016 | - | - |
| | 193 | - | - | 193 | - | - |
| | - | - | - | - | - | - |
| | 5,002 | - | - | 5,002 | - | - |
| | 25 | - | 9,939 | 25 | - | 9,964 |
| | 2,621,209 | - | -2,525,363 | 2,709,111 | - | 10,518 |
| | 3,634 | - | - | 3,634 | - | - |
| | - | - | - | - | - | - |
| | 50 | - | 4,658 | 50 | - | 362 |
| | 83 | - | - | 83 | - | - |
| | - | - | - | - | - | - |
| | 21,481 | - | - | 21,481 | - | - |
| | - | - | 3,075 | - | - | 1,593 |
| | 30,265 | - | - | 30,265 | - | - |
| | - | - | - | - | - | - |
| | 6,019 | - | - | 6,019 | - | - |
| | 18 | - | - | 18 | - | - |
| | 2,615 | - | - | 2,615 | - | - |
| | 3,584 | - | - | 3,584 | - | - |
| | 29,909 | - | - | 29,909 | - | - |
| | 2,943 | - | - | 2,943 | - | - |
| | 16,083 | - | - | 16,083 | - | - |
| | 29,915 | - | - | 29,915 | - | - |
| | 40,165 | - | - | 40,165 | - | - |
| | 6,049 | - | - | 6,049 | - | - |
| Totals * | | | | | | |
| | 561 | - | - | 561 | - | - |
| | 96,984 | - | - | 96,984 | - | - |
| | 302 | - | - | 302 | - | - |
| | 14 | - | - | 14 | - | - |
| | 200 | - | - | 200 | - | - |
| | 215 | - | - | 215 | - | - |
| | 152 | - | - | 152 | - | - |
| | 7 | - | - | 7 | - | - |
| | 911 | - | - | 911 | - | - |
| | - | - | 1,417 | - | - | 1,417 |
| | 1 | - | 1,704 | 2 | - | 1,705 |
| | 3,042 | - | - | 3,042 | - | - |
| | 32 | - | 5,578 | 89 | - | 5,610 |
| | 294 | - | - | 294 | - | - |
| | 3 | - | - | 4 | - | - |
| | - | - | 335 | - | - | 373 |
| | 9,949 | - | - | 9,949 | - | - |
| | 172 | - | - | 172 | - | - |
| | 254 | - | - | 254 | - | - |
| | 7,859 | - | - | 7,859 | - | - |
| | 482,016 | - | - | 482,016 | - | - |
| | 193 | - | - | 193 | - | - |
| | - | - | - | - | - | - |
| | 5,002 | - | - | 5,002 | - | - |
| | 25 | - | 9,939 | 25 | - | 9,964 |
| | 2,621,209 | - | -2,525,363 | 2,709,111 | - | 10,518 |
| | 3,634 | - | - | 3,634 | - | - |
| | - | - | - | - | - | - |
| | 50 | - | 4,658 | 50 | - | 362 |
| | 83 | - | - | 83 | - | - |
| | - | - | - | - | - | - |
| | 21,481 | - | - | 21,481 | - | - |
| | - | - | 3,075 | - | - | 1,593 |
| | 30,265 | - | - | 30,265 | - | - |
| | - | - | - | - | - | - |
| | 6,019 | - | - | 6,019 | - | - |
| | 18 | - | - | 18 | - | - |
| | 2,615 | - | - | 2,615 | - | - |
| | 3,584 | - | - | 3,584 | - | - |
| | 29,909 | - | - | 29,909 | - | - |
| | 2,943 | - | - | 2,943 | - | - |
| | 16,083 | - | - | 16,083 | - | - |
| | 29,915 | - | - | 29,915 | - | - |
| | 40,165 | - | - | 40,165 | - | - |
| | 6,049 | - | - | 6,049 | - | - |
| Totals * | | | | | | |
| | 561 | - | - | 561 | - | - |
| | 96,984 | - | - | 96,984 | - | - |
| | 302 | - | - | 302 | - | - |
| | 14 | - | - | 14 | - | - |
| | 200 | - | - | 200 | - | - |
| | 215 | - | - | 215 | - | - |
| | 152 | - | - | 152 | - | - |
| | 7 | - | - | 7 | - | - |
| | 911 | - | - | 911 | - | - |
| | - | - | 1,417 | - | - | 1,417 |
| | 1 | - | 1,704 | 2 | - | 1,705 |
| | 3,042 | - | - | 3,042 | - | - |
| | 32 | - | 5,578 | 89 | - | 5,610 |
| | 294 | - | - | 294 | - | - |
| | 3 | - | - | 4 | - | - |
| | - | - | 335 | - | - | 373 |
| | 9,949 | - | - | 9,949 | - | - |
| | 172 | - | - | 172 | - | - |
| | 254 | - | - | 254 | - | - |
| | 7,859 | - | - | 7,859 | - | - |
| | 482,016 | - | - | 482,016 | - | - |
| | 193 | - | - | 193 | - | - |
| | - | - | - | - | - | - |
| | 5,002 | - | - | 5,002 | - | - |
| | 25 | - | 9,939 | 25 | - | 9,964 |
| | 2,621,209 | - | -2,525,363 | 2,709,111 | - | 10,518 |
| | 3,634 | - | - | 3,634 | - | - |
| | - | - | - | - | - | - |
| | 50 | - | 4,658 | 50 | - | 362 |
| | 83 | - | - | 83 | - | - |
| | - | - | - | - | - | - |
| | 21,481 | - | - | 21,481 | - | - |
| | - | - | 3,075 | - | - | 1,593 |
| | 30,265 | - | - | 30,265 | - | - |
| | - | - | - | - | - | - |
| | 6,019 | - | - | 6,019 | - | - |
| | 18 | - | - | 18 | - | - |
| | 2,615 | - | - | 2,615 | - | - |
| | 3,584 | - | - | 3,584 | - | - |
| | 29,909 | - | - | 29,909 | - | - |
| | 2,943 | - | - | 2,943 | - | - |
| | 16,083 | - | - | 16,083 | - | - |
| | 29,915 | - | - | 29,915 | - | - |
| | 40,165 | - | - | 40,165 | - | - |
| | 6,049 | - | - | 6,049 | - | - |
| Totals * | | | | | | |
| | 561 | - | - | 561 | - | - |
| | 96,984 | - | - | 96,984 | - | - |
| | 302 | - | - | 302 | - | - |
| | 14 | - | - | 14 | - | - |
| | 200 | - | - | 200 | - | - |
| | 215 | - | - | 215 | - | - |
| | 152 | - | - | 152 | - | - |
| | 7 | - | - | 7 | - | - |
| | 911 | - | - | 911 | - | - |
| | - | - | 1,417 | - | - | 1,417 |
| | 1 | - | | | | |

Schedule 11

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY—Continued

| Fund | June 30, 1982 | | | June 30, 1983 | | | | |
|---|---------------|--------------|---------------------------------|---------------|-----------|--------------|---------------------------------|------------|
| | Cash * | Securities * | Surplus Money Investment Fund * | Totals * | Cash * | Securities * | Surplus Money Investment Fund * | Totals * |
| Retirement Funds | | | | | | | | |
| Judges' Retirement Fund | 40 | 139 | - | 179 | 57 | 15,119 | - | 15,176 |
| Legislators' Retirement Fund | 244 | 99,720 | - | 99,964 | 263 | 95,236 | - | 95,499 |
| Public Employees' Retirement Fund | 58,305 | 20,731,594 | - | 20,789,899 | 70,795 | 23,576,936 | - | 23,647,731 |
| Teachers' Retirement Fund | 69,760 | 12,560,238 | - | 12,629,998 | 64,917 | 13,515,951 | - | 13,580,868 |
| Trust and Agency Funds—Federal | | | | | | | | |
| Federal Revenue Sharing Fund | - | - | - | - | 1 | - | 5,367 | 5,368 |
| California Traffic Safety Program Fund | 4 | - | - | 4 | - | - | - | - |
| Public Health Federal Fund | 3,677 | - | - | 3,677 | 3,296 | - | - | 3,296 |
| Social Welfare Federal Fund | 268 | - | - | 268 | 45,912 | - | - | 45,912 |
| Unemployment Administration Fund | 8,609 | - | - | 8,609 | 13,877 | - | - | 13,877 |
| Unemployment Fund | 370 | - | - | 370 | 528 | - | - | 528 |
| United States Flood Control Receipts Fund | - | - | - | - | - | - | - | - |
| United States Forest Reserve Fund | - | - | - | - | - | - | - | - |
| United States Grazing Fees Fund | - | - | - | - | - | - | - | - |
| Vocational Education Federal Fund | 1 | - | - | 1 | 286 | - | - | 286 |
| Vocational Rehabilitation Federal Fund | - | - | - | - | 2,233 | - | - | 2,233 |
| Federal Trust Fund | 14,578 | - | - | 14,578 | 38,150 | - | - | 38,150 |
| Federal Trust Fund Appropriated ³ | 11,641 | - | - | 11,641 | - | - | - | - |
| Federal Block Grant Fund | - | - | - | - | 67 | - | - | 67 |
| Trust and Agency Funds—Other | | | | | | | | |
| County Medical Services Program | - | - | - | - | 1 | - | 17,433 | 17,434 |
| County Health Services Fund | 4,539 | - | 15,996 | 20,535 | 9,442 | - | 6,425 | 15,867 |
| Medically Indigent Services Account | - | - | - | - | 22,798 | - | - | 22,798 |
| Assessment Fund | - | - | - | - | - | - | - | - |
| California Health Facilities Authority Fund | 428 | - | - | 428 | - | - | 1,201 | 1,202 |
| California Election Campaign Fund | - | - | - | - | 406 | - | - | 406 |
| California Public Broadcasting Fund | 304 | - | - | 304 | 347 | - | - | 347 |
| School Employees Fund | 11 | - | 37,352 | 37,363 | 10 | - | 28,088 | 28,098 |
| Community College Instructional Improvement Fund | 975 | - | - | 975 | 592 | - | - | 592 |
| Condemnation Deposits Fund | 1 | - | 25,975 | 25,976 | 1 | - | 24,013 | 24,014 |
| Educational Facilities Authority Fund | 411 | - | - | 411 | 396 | - | - | 396 |
| Health Care Deposit Fund | 14 | - | - | 14 | - | - | - | - |
| Industrial Relations Unpaid Wage Fund | 2,959 | - | - | 2,959 | 200 | - | - | 200 |
| Deferred Compensation Plan Fund | 1 | 299,798 | 19 | 299,818 | 1 | 363,289 | 88 | 363,378 |
| Housing Rehabilitation Insurance Fund | 1 | - | 10,755 | 10,756 | 1 | - | 11,004 | 11,005 |
| Inmates Welfare Fund | 5 | 420 | 2,044 | 2,469 | 5 | 420 | 1,522 | 1,947 |
| Small Business Expansion Fund | 1 | - | 3,186 | 3,187 | 2 | - | 72 | 74 |
| Interstate Collection Incentive Fund | 10 | - | - | 10 | 311 | - | - | 311 |
| Litigation Deposit Fund | - | - | 15,083 | 15,083 | 2 | - | 16,696 | 16,698 |
| California Economic Development Grant and Loan Fund | 1 | - | 3,024 | 3,025 | 1 | - | 2,246 | 2,247 |
| Immunization Adverse Reaction Fund | 48 | - | - | 48 | 48 | - | - | 48 |
| Local Agency Investment Fund | 135,752 | - | - | 135,752 | 1,023,231 | - | - | 1,023,231 |
| Land Purchase Fund | 1 | - | 72 | 73 | 1 | - | 331 | 332 |
| Local Agency Emergency Loan Fund ⁴ | - | - | - | - | - | - | - | - |
| Farmworker Housing Grant Fund | 3,050 | - | - | 3,050 | 630 | - | - | 630 |
| Forest Resources Improvement Fund | 1,696 | - | - | 1,696 | 3,254 | - | - | 3,254 |
| Housing Rehabilitation Loan Fund | 1 | - | 6,619 | 6,620 | 2 | - | 3,374 | 3,376 |

³ Abolished—used for budgetary purposes only.⁴ Abolished—Government Code Section 16493.5.

* Dollars in thousands

Schedule 11

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY—Continued

| | June 30, 1982 | | | June 30, 1983 | | |
|---|---------------|--------------|--------------|---------------|--------------|--------------|
| | Due from | | | Due from | | |
| | Surplus Money | | | Surplus Money | | |
| | Investment | | | Investment | | |
| | Fund * | | | Fund * | | |
| Fund | Cash * | Securities * | Totals * | Cash * | Securities * | Totals * |
| Pollution Control Financing Authority Fund..... | 18 | 1,385 | 11,846 | 18 | 2,273 | 6,517 |
| Local Agency Code Enforcement and Rehabilitation | - | - | - | - | - | - |
| Local Public Entity Employees Fund | 1 | - | 13,021 | 1 | - | 9,373 |
| County Jail Capital Expenditure Fund | - | - | 12 | 1 | - | 135 |
| Local Agency Indebtedness Fund | 2,779 | - | 2,779 | 1,873 | - | 1,873 |
| Homeownership Assistance Fund | 1 | - | 7,127 | 2 | - | 4,866 |
| Small Business Loan Reserve Fund | - | - | - | - | - | - |
| Rental Housing Construction Incentive Fund | 1 | - | 58,409 | 3 | - | 41,142 |
| Nutrition Reserve Fund | 1,545 | - | 1,545 | 1,069 | - | 1,069 |
| Renewable Resources Investment Fund | 5,621 | - | 5,621 | 4,175 | - | 4,175 |
| Santa Monica Mountains Conservancy Fund | 719 | - | 719 | 308 | - | 308 |
| Special Deposit Fund | 20,846 | 22 | 127,782 | 34,965 | 21 | 123,355 |
| State Child Nutrition Fund | 144 | - | 144 | 10,068 | - | 10,068 |
| Student Security Trust Fund | 1 | - | 5 | 1 | - | 7 |
| California State University and Colleges Special Project Fund | 7 | - | 588 | 10 | - | 675 |
| California State University and Colleges Trust Fund | 10 | - | 7,450 | 10 | - | 14,105 |
| State Fair Contingent Fund | - | - | - | - | - | - |
| State Employees Contingency Reserve Fund | - | 6,687 | - | 2 | 12,002 | - |
| State Guaranteed Loan Reserve Fund | 52 | - | 27,643 | 21 | - | 41,212 |
| State Park Contingent Fund | 212 | - | 100 | 309 | - | 100 |
| Student Loan Authority Fund | 3 | - | 3 | 21 | - | 21 |
| State Instructional Materials Fund | 41,293 | - | 41,293 | 40,159 | - | 40,159 |
| State School Site Utilization Fund | 5,695 | - | 5,695 | 1,379 | - | 1,379 |
| Support Enforcement Incentive Fund | - | - | - | - | - | - |
| Tax-Deeded Land Rental Trust Fund | - | - | - | - | - | - |
| Student Tuition Recovery Fund | 22 | - | 22 | 41 | - | 41 |
| State School Deferred Maintenance Fund | 1,544 | - | 1,544 | 2,957 | - | 2,957 |
| Volunteer Firefighters Length of Service Award Fund | 5 | 211 | 216 | 250 | - | 250 |
| Teacher Tax Shelter Annuity Fund | 21 | 14,123 | 14,144 | 25 | 184,775 | 184,800 |
| Timber Tax Fund | 1 | - | 1 | 1 | - | 28 |
| Timber Tax Reserve Fund | 1 | - | 10 | 2 | - | 19 |
| Traffic Adjudication Fund | 845 | - | 845 | 1,557 | - | 1,557 |
| Unclaimed Property Fund | 500 | 626 | 16,042 | 501 | 625 | 13,222 |
| Urban Housing Development Loan Fund | 1 | - | 1,599 | 1 | - | 3,123 |
| TOTALS, NONGOVERNMENTAL COST FUNDS | \$3,830,608 | \$35,588,860 | \$38,590,201 | \$5,009,581 | \$39,742,862 | \$1,913,271 |
| | | | | | | \$46,665,714 |
| GOVERNMENTAL COST FUNDS | | | | | | |
| General Fund | 32,837 | - | 32,837 | - | - | - |
| Transportation Funds | 13,661 | - | 620,394 | 22,393 | 535,323 | 557,716 |
| Other Special Funds | 435,471 | - | 208,873 | 291,338 | 1,436 | 478,995 |
| OTHER BALANCES | | | | | | |
| Agency Bank Accounts | 221,768 | - | 221,768 | 221,850 | - | 221,850 |
| Uncleared Collections | 1,118 | - | 1,118 | 2,109 | - | 2,109 |
| Outstanding Warrants | 433,592 | - | 433,592 | 433,848 | - | 433,848 |
| Fiscal Agents | 35,511 | - | 35,511 | 892,259 | - | 892,259 |
| Pooled Money Investment Account | -3,966,959 | - | - | 5,132,412 | - | - |
| Time Deposits in Banks | -1,144,560 | - | - | -628,135 | - | - |
| TOTALS | -\$106,953 | \$40,700,379 | \$40,593,426 | \$1,112,831 | \$45,504,845 | \$49,252,491 |

* Dollars in thousands

Schedule 12

**COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION
OR OTHER STATUTES FOR THE FISCAL YEARS 1982-83, 1983-84 AND 1984-85—Continued**
(In thousands of dollars)

| Purpose and Legal Citation AUTHORIZED BY CONSTITUTION | Actual 1982-83 | | Estimated 1983-84 | | Estimated 1984-85 | |
|--|----------------|---------------|-------------------|---------------|-------------------|---------------|
| | General Fund | Special funds | General Fund | Special funds | General Fund | Special funds |
| STATE OPERATIONS | | | | | | |
| OTHER GOVERNMENTAL SERVICES | | | | | | |
| Debt Service | | | | | | |
| Bond Interest & Redemption | 261,965 | - | 323,932 | - | 391,551 | - |
| TOTALS, CONSTITUTIONAL REQUIREMENT | <u>261,965</u> | <u>-</u> | <u>323,932</u> | <u>-</u> | <u>391,551</u> | <u>-</u> |
| <i>Totals, State Operations</i> | <i>261,965</i> | <i>-</i> | <i>323,932</i> | <i>-</i> | <i>391,551</i> | <i>-</i> |
| AUTHORIZED BY STATUTES | | | | | | |
| STATE OPERATIONS | | | | | | |
| LEGISLATIVE, JUDICIAL, AND EXECUTIVE | | | | | | |
| Legislative | | | | | | |
| Senate | | | | | | |
| Government Code Section 9129 | - | 95,410 | - | 33,983 | - | 34,340 |
| Less Transfer From General Fund | - | -27,602 | - | -30,165 | - | -31,946 |
| Assembly | | | | | | |
| Government Code Section 9129 | - | 40,688 | - | 48,740 | - | 47,921 |
| Less Transfer From General Fund | - | -43,124 | - | -46,197 | - | -47,921 |
| Joint Expenses | - | - | - | - | - | - |
| Item 10.1, Budget Act of 1967 | - | 13,711 | - | 18,367 | - | 18,978 |
| Less Transfer From General Fund | - | -14,033 | - | -17,054 | - | -18,978 |
| Contributions to Legislator Retire Fund | 637 | - | 670 | - | 735 | - |
| Government Code Section 9358 | | | | | | |
| Judicial | | | | | | |
| Contributions to Judges Retirement Fund | 455 | - | 530 | - | 567 | - |
| Government Code Section 75101 | | | | | | |
| Executive/Governor | - | 329 | - | - | - | - |
| Office of Emergency Services | | | | | | |
| Government Code Section 8610.5 | - | - | - | - | - | - |
| STATE AND CONSUMER SERVICES | | | | | | |
| Department of Consumer Affairs | | | | | | |
| Certified Shorthand Reporters Board | | | | | | |
| Business & Professions Code | | | | | | |
| Section 8000.2 | - | 198 | - | - | - | - |
| Franchise Tax Board | | | | | | |
| Fish & Game Code, Article 4 (Ch. 1058 | | | | | | |
| Statutes of 1983) | - | - | - | 25 | - | - |
| Dept of General Services | | | | | | |
| Government Code Section 15863 | - | 1,437 | - | - | - | - |
| Government Code Section 16379 | - | 4,412 | - | - | - | - |
| Government Code Section 4454, Access | - | - | - | - | - | - |
| for the Handicapped | - | 280 | - | - | - | - |
| Health & Safety Code Sections 19180 - | - | 3 | - | - | - | - |
| 19183 | - | - | - | - | - | - |
| BUSINESS, TRANSPORTATION, AND HOUSING | | | | | | |
| Business | | | | | | |
| State Banking Department | - | 55 | - | - | - | - |
| Government Code Section 53667 | | | | | | |
| Transportation | | | | | | |
| Dept of Transportation | - | - | - | - | - | - |
| Streets & Highways Code Section 2372 | - | 2 | - | - | - | - |
| Streets & Highways Code Section 2542 | - | 156 | - | - | - | - |

Schedule 12

**COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION
OR OTHER STATUTES FOR THE FISCAL YEARS 1982-83, 1983-84 AND 1984-85—Continued**
(In thousands of dollars)

| Purpose and Legal Citation | Actual 1982-83 | | Estimated 1983-84 | | Estimated 1984-85 | |
|--|----------------|---------------|-------------------|---------------|-------------------|---------------|
| | General Fund | Special funds | General Fund | Special funds | General Fund | Special funds |
| RESOURCES | | | | | | |
| St Assist Fd Energy Ca Bus Industry Dev | - | 1,545 | - | - | - | - |
| Financial Code Section 32312 | - | - | - | - | - | - |
| Less Transfer From General Fund Ch 819/80 | - | -1,500 | - | - | - | - |
| Energy Resources Conservation & Dev Com | - | - | - | - | - | - |
| Public Resources Code Sec 25637, | - | - | - | 4,600 | - | - |
| Energy Res Conserv & Develop | - | - | - | - | - | - |
| Comun | - | - | - | - | - | - |
| Public Resources Code Section 25416, | - | 2,722 | - | - | - | - |
| Schools & Hospitals | - | - | - | - | - | - |
| Public Resources Code Section 25416, | - | -282 | - | - | - | - |
| Streightlights | - | 2,000 | - | - | - | - |
| Public Resources Code Section 25624 | - | - | - | - | - | - |
| Public Resources Code Section 25637, | - | 6,232 | - | - | - | - |
| Agriculture & Forestry | - | - | - | - | - | - |
| Public Resources Code Section 25637, | - | 2,027 | - | - | - | - |
| Alternative Fuels | - | - | - | - | - | - |
| Renewable Resources Investment Program | - | - | - | - | - | - |
| Public Resources Code Section 3825, | - | 3,008 | - | 2,680 | - | 2,369 |
| Transfer to Renewable Resources Inv | - | - | - | - | - | - |
| Department of Water Resources | - | 2,492 | - | 3,361 | - | 6,601 |
| Water Code Section 12838 | - | - | - | - | - | - |
| HEALTH AND WELFARE | | | | | | |
| Office Statewide Health Planning - Develop | - | 4,272 | - | - | - | - |
| Health & Safety Code Section 15012 | - | - | - | - | - | - |
| Dept of Health Services | - | - | - | 40 | - | - |
| Health and Safety Code Sec 527 | - | - | - | - | - | - |
| Employment Development Dept | - | - | - | - | - | - |
| Unemployment Insurance Code | - | 165 | - | - | - | - |
| Sec 1586 | - | - | - | - | - | - |
| Unemployment Insurance Code Sec 1590 | - | 758 | - | 272 | - | - |
| (transfer to Unemployment Comp | - | - | - | - | - | - |
| Dis Fd) | - | - | - | - | - | - |
| Unemployment Insurance Code Sec 1590 | - | 4,397 | - | 1,582 | - | - |
| (transfer to Unemployment Fund) | - | - | - | - | - | - |
| EDUCATION | | | | | | |
| K Thru 12 Education | | | | | | |
| Department of Education | | | | | | |
| Business & Professions Code | 358 | - | - | - | - | - |
| Section 19632(b), Voc Ed Student Org | - | 358 | - | - | - | - |
| Education Code Section 14002 | - | 114 | - | - | - | - |
| Less transfer from the General Fund | - | -114 | - | - | - | - |
| Education Code Section 41301.3(a) | - | - | 555 | 1,110 | 450 | 450 |
| Less transfer from the General Fund | - | - | - | -555 | - | - |
| Education Code Section 41304(a), Driver | - | - | 101 | - | - | - |
| Training | - | - | - | 101 | - | - |

Schedule 12

**COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION
OR OTHER STATUTES FOR THE FISCAL YEARS 1982-83, 1983-84 AND 1984-85—Continued**
(In thousands of dollars)

| Purpose and Legal Citation | Actual 1982-83 | | Estimated 1983-84 | | Estimated 1984-85 | |
|---|----------------|---------------|-------------------|---------------|-------------------|---------------|
| | General Fund | Special funds | General Fund | Special funds | General Fund | Special funds |
| OTHER GOVERNMENTAL UNITS | | | | | | |
| Labor | | | | | | |
| Workers Compensation Benefits | | 1,523 | | | | |
| Subsequent Injuries | | | | | | |
| Labor Code Section 4706.5 (e) | | | | | | |
| Regulatory | | | | | | |
| California Auctioneer Commission | | | | | | |
| Section 5717, Business and Profession | | 13 | | 122 | | |
| Code | | | | | | |
| California Exposition and Fairs | | | | | | |
| Business & Professions Code | | 265 | | 265 | | 265 |
| Section 19622 | | | | | | |
| Dept of Food and Agriculture | | | | | | |
| Food & Agriculture Code Section | | | | | | |
| 224(1) | | 500 | | | | |
| Food & Agriculture Code Section 224(2) | | 1,000 | | | | |
| Food & Agriculture Code Section 505 | | 722 | | | | |
| Section 221, Food and Agriculture Code | | | | 14,677 | | 35,368 |
| Section 52945, Food and Agriculture Code | | | | 315 | | 330 |
| Fair Political Practices Commission | | | | | | |
| Government Code Section 83122 | 1,788 | | 1,954 | | 2,047 | |
| Public Utilities Commission | | | | | | |
| Public Utilities Code Section 4906 | | 27 | | | | |
| Sec 44181, Revenue and Taxation Code | | | | | | 18 |
| General Administration | | | | | | |
| Board of Control | | | | | | |
| Government Code Section 13967 | | | | | | 14,337 |
| OTHER GOVERNMENTAL SERVICES | | | | | | |
| Debt Service | | | | | | |
| Payment of Interest on Gen Fund Loans | | | | | | |
| Government Code Section 17271 | 8,096 | | | | | |
| Unclassified | | | | | | |
| Working Capital Advances | | | | | | |
| Government Code Section 18707 | -25 | -25 | | | | |
| Savings | | | | | | |
| General Fund Credits From Special Funds | | | | | | |
| Pro Rata Charges Per Government Code | | | | | | |
| Section 13332.03 | | | | 69 | | 129 |
| Pro Rata-Dept of Food & Agriculture Govt | | | | | | |
| Code Sec. 13332.03 (AB 223) | | | | 49 | | |
| Pro Rata-Environ Protect Prog Govt Code | | | | | | |
| Sec 13332.03 (AB 223) | | | | 399 | | |
| Pro Rata-Public Utilities Commission Govt | | | | | | |
| Code Sec 13332.03 | | | | 297 | | |
| Pro Rata-Various Departments Govt Code | | | | | | |
| Sec 13332.03 (AB 223) | | | | 510 | | |

CAPITAL OUTLAY**BUSINESS, TRANSPORTATION, AND HOUSING**

Transportation
Dept of Transportation
Streets & Highways Code Section 2542

2,110

2,110

RESOURCES

Wildlife Conservation Board
Business & Professions Code
Section 19632(a)
Fish & Game Code Section 1352
Department of Water Resources
Water Code Section 12938

750

750

-1,301

-1,301

5,821

5,821

20,274

20,724

Schedule 12
COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION
OR OTHER STATUTES FOR THE FISCAL YEARS 1982-83, 1983-84 AND 1984-85—Continued
(In thousands of dollars)

| Purpose and Legal Citation | Actual 1982-83 | | Estimated 1983-84 | | Estimated 1984-85 | |
|--|----------------|------------|-------------------|------------|-------------------|------------|
| | General Fund | Total | General Fund | Total | General Fund | Total |
| LOCAL ASSISTANCE | | | | | | |
| LEGISLATIVE, JUDICIAL, AND EXECUTIVE | | | | | | |
| Judicial | | | | | | |
| Contributions to Judges Retirement Fund | | | | | | |
| Government Code Section 75101 | 5,553 | 5,553 | 5,942 | 5,942 | 6,402 | 6,402 |
| Executive/Governor | | | | | | |
| Office of Emergency Services | | | | | | |
| Government Code Section 8610.5 | - | 811 | - | - | - | - |
| Government Code Sections 8690.2, | | | | | | |
| 8690.4 & 8690.5 | - | 9,946 | - | 8,000 | - | 8,000 |
| BUSINESS, TRANSPORTATION, AND HOUSING | | | | | | |
| Transportation | | | | | | |
| Dept of Transportation | | | | | | |
| Public Utilities Code Section 21680 | - | 3,000 | - | 3,425 | - | 3,800 |
| Streets & Highways Code Section 2371 .. | - | 515 | - | - | - | - |
| RESOURCES | | | | | | |
| Energy Resources Conservation & Dev Com | | | | | | |
| Public Resources Code Section 3822 | - | 1,966 | - | - | - | - |
| EDUCATION | | | | | | |
| K Thru 12 Education | | | | | | |
| Department of Education | | | | | | |
| Education Code Section 14002 | - | 7,000,465 | - | 7,609,489 | - | 8,327,166 |
| Less Transfer From General Fund | - | -6,961,477 | - | -7,584,489 | - | -8,302,166 |
| Less Transfer From Special Account | | | | | | |
| For Capital Outlay | - | -450 | - | - | - | - |
| Education Code Section 41900 | - | 17,844 | - | 17,336 | - | 17,336 |
| Less Transfer From Driver Training | | | | | | |
| Penalty Assessment Fund | - | - | - | - | - | - |
| Less Transfer From the Motor Vehicle | | | | | | |
| Account, State Transportation Fund .. | - | -17,844 | - | -17,336 | - | -17,336 |
| School Facilities Aid Program | | | | | | |
| Education Code Section 17735 | - | - | - | 5,959 | - | 101,500 |
| Education Code Section 17780 | - | - | - | - | - | - |
| Transfer to School Deferred Maint | | | | | | |
| Fund | 37,027 | 37,027 | 81,260 | 81,260 | 87,858 | 87,858 |
| Less Transfer From the General Fund .. | - | - | - | -16,260 | - | - |
| Debt Service Public Sch Building Bonds | | | | | | |
| Education Code Section 16080 | - | 1,648 | - | 1,651 | - | 1,653 |
| Education Code Sections 15903, 16403, | | | | | | |
| 16094, 16094, 16094, 17006, Et Al | -76,193 | -76,193 | -81,260 | -81,260 | -87,858 | -87,858 |
| Higher Education | | | | | | |
| Bd of Governors of Calif Comm Colleges | | | | | | |
| Article 9, Sec 6, Education Code Part 50, | | | | | | |
| Chapter 4.5 & Ch. 323.75 | - | 1,053,930 | - | 1,016,097 | - | 1,016,686 |
| Less Transfer From General Fund | - | -1,053,930 | - | -1,016,097 | - | -1,016,686 |
| Education Code Section 12320 | - | - | - | 3,900 | - | 3,900 |
| Education Code Section 12320(b) | - | 4,346 | - | - | - | - |

Schedule 12

**COMPARATIVE STATEMENT OF EXPENDITURES BY THE BUDGET ACT AND EXPENDITURES REQUIRED BY THE CONSTITUTION
OR OTHER STATUTES FOR THE FISCAL YEARS 1982-83, 1983-84 AND 1984-85—Continued**

(In thousands of dollars)

| <i>Purpose and Legal Citation</i> | <i>Actual 1982-83</i> | | <i>Estimated 1983-84</i> | | <i>Estimated 1984-85</i> | |
|--|-----------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|
| | <i>General Fund</i> | <i>Special funds</i> | <i>General Fund</i> | <i>Special funds</i> | <i>General Fund</i> | <i>Special funds</i> |
| OTHER GOVERNMENTAL UNITS | | | | | | |
| Regulatory | | | | | | |
| Dept of Food and Agriculture | | | | | | |
| Food & Agriculture Code Section 12119 .. | - | 22 | - | - | - | - |
| Food & Agriculture Code Section 12844 .. | - | 4,237 | - | - | - | - |
| Food & Agriculture Code Section 224 (3) | - | 2,691 | - | - | - | - |
| Section 12539, Business and Professions Code | - | 38 | - | - | - | 45 |
| Financial Assistance to Local Fairs | | | | | | |
| Business & Professions Code | | | | | | |
| Section 19622 (b), L.A. County Fair .. | - | 250 | - | 250 | - | 250 |
| Business & Professions Code | | | | | | |
| Section 19622 (c), Dist 1—A Ag Assoc | - | 250 | - | 250 | - | 250 |
| Business & Professions Code | | | | | | |
| Section 19622 (d), Dist 48 Ag Assoc .. | - | 125 | - | 125 | - | 125 |
| Business & Professions Code | | | | | | |
| Section 19626, Citrus Fruit Fairs | - | 150 | - | 150 | - | 150 |
| Business & Professions Code | | | | | | |
| Section 19627.3 | - | 158 | - | 2,250 | - | 2,250 |
| Business & Professions Code | | | | | | |
| Section 19627, County & Dist Ag Assoc | - | 3,556 | - | 6,464 | - | 6,460 |
| Business & Professions Code | | | | | | |
| Section 19630 | - | 9,173 | - | 3,369 | - | 2,800 |
| Business & Professions Code Sec 19627.2 | - | 272 | - | 3 | - | - |
| OTHER GOVERNMENTAL SERVICES | | | | | | |
| Tax Relief | | | | | | |
| General Tax Relief | | | | | | |
| Government Code, Section 16100 | - | - | 79,732 | - | - | - |
| (Ch. 983, Statutes of 1983) | | | | | | |
| Revenue Distributions | | | | | | |
| Shared Revenues | | | | | | |
| Apportionment Hwy Prop Rental Receipts | | | | | | |
| Streets & Highways Code Sections 104.6 | - | 3,255 | - | 3,900 | - | 3,900 |
| & 104.10 | | | | | | |
| Apportionment Off Highway License Fees | - | 582 | - | 686 | - | 614 |
| Vehicle Code Sections 38230 & 38240 | | | | | | |
| Apportionment of Trailer Coach Fees | - | 24,055 | - | 26,000 | - | 22,000 |
| Revenue & Taxation Code Sections | | | | | | |
| 11003.4 & 11005 | - | 449,772 | - | 507,000 | - | 1,153,000 |
| Apportionment Motor Vehicle License Fee | | | | | | |
| Revenue & Taxation Code Sections | | | | | | |
| 11003.3 & 11005 | - | 74,486 | - | 80,000 | - | 77,000 |
| Apportionment Cigarette Tax | | | | | | |
| Revenue & Taxation Code Section | | | | | | |
| 30462 | 375 | 375 | 400 | - | 400 | 400 |
| Apportionment Tideland Revenues | | | | | | |
| Public Resources Code Section 6817 | - | 208,417 | - | 249,400 | - | 233,300 |
| Apportionment for County Roads | | | | | | |
| Streets & Highways Code Section 2104 .. | - | 133,253 | - | 182,510 | - | 171,950 |
| Apportionment for City Streets | | | | | | |
| Streets & Highways Code Sections 2107 | - | 107,436 | - | 115,350 | - | 107,150 |
| & 2107.5 | | | | | | |
| Apportionment County Road & City Street | | | | | | |
| Streets & Highways Code Section 2106 .. | - | 2,560 | - | 3,573 | - | 3,159 |
| Apportionment of Geothermal Res Develop | | | | | | |
| Public Resources Code Section 34000 | - | - | - | - | - | - |
| Unclassified | | | | | | |
| Universal Telephone Service Program | | | | | | |
| Section 4418, Revenue & Tax Code | - | - | - | - | - | 18,000 |
| (Chapter 1143, Statutes of 1983) | | | | | | |

(In thousands of dollars)

| Purpose and Legal Citation UNCLASSIFIED | Actual 1982-83 | | Estimated 1983-84 | | Estimated 1984-85 | |
|--|----------------|---------------|-------------------|---------------|-------------------|---------------|
| | General Fund | Special funds | General Fund | Special funds | General Fund | Special funds |
| RESOURCES | | | | | | |
| Dept of Boating & Waterways | | | | | | |
| Revenue & Taxation Code Section 8352 (g) | | | | | | |
| TOTALS, STATUTORY AUTHORIZATIONS | | | | | | |
| Totals, State Operations | -21,829 | 8,356 | 89,884 | 11,500 | 10,601 | 11,000 |
| Totals, Capital Outlay | 11,309 | 1,114,293 | 3,810 | 1,261,392 | 3,799 | 2,049,942 |
| Totals, Local Assistance | -33,139 | 46,117 | 7,380 | 36,937 | 61,811 | 63,610 |
| Totals, Unclassified | - | 7,380 | 86,074 | - | 80,274 | 80,274 |
| | | 1,053,508 | | 1,212,935 | 6,802 | 1,946,255 |
| | | 8,356 | | 11,500 | | 11,000 |
| TOTAL AUTHORIZED BY CONSTITUTION | | | | | | |
| Totals, State Operations | 240,136 | 1,376,188 | 413,816 | 1,261,392 | 402,152 | 2,039,341 |
| Totals, Capital Outlay | 273,274 | 308,082 | 327,742 | 36,937 | 395,350 | 61,811 |
| Totals, Local Assistance | -33,138 | 7,380 | 86,074 | - | 80,274 | 80,274 |
| Totals, Unclassified | - | 1,052,370 | | 1,212,935 | 6,802 | 1,946,255 |
| | | 8,356 | | 11,500 | | 11,000 |
| TOTALS, BUDGET ACT AND OTHER AUTHORI- | | | | | | |
| ZATIONS | | | | | | |
| Totals, State Operations | 21,511,277 | 23,555,273 | 22,227,346 | 2,507,884 | 24,674,297 | 27,416,311 |
| Totals, Capital Outlay | 4,283,115 | 5,822,216 | 4,401,384 | 1,821,745 | 5,310,122 | 7,284,598 |
| Totals, Local Assistance | -97 | 208,101 | 1,106 | 268,643 | 94,650 | 351,356 |
| Totals, Unclassified | 17,228,259 | 17,552,957 | 17,644,525 | 417,496 | 19,144,525 | 19,490,857 |
| | | - | 180,000 | - | 125,000 | 119,500 |
| | | 3,180,048 | 22,641,162 | 3,769,276 | 25,076,449 | 4,781,355 |
| TOTALS, ALL AUTHORIZATIONS | 21,751,413 | 24,931,461 | 22,641,162 | 3,769,276 | 25,076,449 | 4,781,355 |

Schedule 13

STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF DECEMBER 31, 1983

GENERAL OBLIGATION BONDS

(This statement does not include bonds issued under authority of State instrumentalities that are not general obligations of the State of California)

| Name of issue | Percent rate of interest | Maturity | Authorized * | Unsold * | Redemptions * | Outstanding * |
|--|-----------------------------|-----------|--------------|-------------|---------------|---------------|
| GENERAL FUND BONDS | | | | | | |
| State Construction Program Bond Act of 1955 | 3.5-4.0 | 1959-1985 | \$200,000 | - | \$188,000 | \$12,000 |
| State Construction Program Bond Act of 1958 | 1-4.0 | 1962-1989 | 200,000 | - | 159,400 | 40,600 |
| State Construction Program Bond Act of 1962 | .05-3.4 | 1964-1991 | 270,000 | - | 180,300 | 89,700 |
| State Construction Program Bond Act of 1964 | 3.1-5.8 | 1967-1994 | 380,000 | - | 236,750 | 143,250 |
| State Higher Education Construction Program Bond Act of 1966 | 3.5-6.5 | 1968-1993 | 230,000 | - | 146,090 | 83,910 |
| Junior College Construction Program Bond Act of 1968 | 3.5-5.8 | 1970-1991 | 65,000 | - | 40,700 | 24,300 |
| Health Science Facilities Bond Act of 1971 | 3.75-6.0 | 1974-1998 | 155,900 | - | 50,725 | 105,175 |
| Community College Construction Program Bond Act of 1972 | 3.75-6.5 | 1974-1997 | 160,000 | - | 64,750 | 95,250 |
| State Beach, Park, Recreational and Historical Facilities Bond Act of 1964 | 3.1-6.0 | 1967-1992 | 150,000 | - | 103,450 | 46,550 |
| State Beach, Park, Recreational and Historical Facilities Bond Act of 1974 | 4.3-11.0 | 1975-2002 | 250,000 | - | 66,375 | 183,625 |
| Recreation and Fish and Wildlife Enhancement Bond Act of 1970 | 4.0-6.5 | 1972-1995 | 60,000 | - | 29,500 | 30,500 |
| California Clean Water Bond Act of 1970 | 3.5-6.5 | 1972-1997 | 250,000 | 10,000 | 112,000 | 128,000 |
| California Clean Water Bond Act of 1974 | 4.4-11.0 | 1978-2000 | 250,000 | 20,000 | 48,375 | 181,625 |
| California Clean Water and Water Conservation Bond Law of 1978 | 6.2-11.0 | 1981-2002 | 375,000 | 145,000 | 18,750 | 211,250 |
| California State Drinking Water Bond Law of 1976 | 5.25-11.0 | 1981-2012 | 175,000 | 75,000 | 2,235 | 97,765 |
| State Urban and Coastal Park Bond Act of 1976 | 4.2-11.0 | 1978-2001 | 280,000 | 35,000 | 41,625 | 203,375 |
| Parklands Acquisition and Development Program Bond Act of 1980 | 7.0-11.0 | 1982-2002 | 285,000 | 130,000 | 9,000 | 146,000 |
| New Prison Construction Bond Act of 1981 | 7.0-11.0 | 1983-2002 | 495,000 | 395,000 | 7,500 | 92,500 |
| County Jail Capital Expenditure Bond Act of 1981 | - | - | 280,000 | 280,000 | - | - |
| First Time Home Buyers Bond Act of 1982 | - | - | 200,000 | 185,000 | - | 15,000 |
| Lake Tahoe Acquisitions Bond Act | - | - | 85,000 | 85,000 | - | - |
| State School Building Lease-Purchase Bond Law of 1982 | - | - | 500,000 | 300,000 | - | 200,000 |
| Totals, General Fund Bonds | | | \$5,295,900 | \$1,660,000 | \$1,505,525 | \$2,130,375 |
| PARTIALLY SELF-LIQUIDATING BONDS ¹ | | | | | | |
| State School Building Bond Act of 1952 | .25-3.25 | 1955-1990 | \$185,000 | - | \$178,200 | \$6,800 |
| State School Building Bond Act of 1954 | 3.25-3.5 | 1959-1984 | 100,000 | - | 98,400 | 1,600 |
| State School Building Bond Act of 1957 | 1.0-3.5 | 1960-1985 | 100,000 | - | 92,800 | 7,200 |
| State School Building Bond Act of 1958 | 3.5-4.0 | 1961-1987 | 220,000 | - | 186,000 | 34,000 |
| State School Building Bond Act of 1960 | 1-3.75 | 1963-1990 | 300,000 | - | 226,200 | 73,800 |
| State School Building Bond Act of 1962 | .05-3.4 | 1966-1991 | 200,000 | - | 130,000 | 70,000 |
| State School Building Bond Act of 1964 | 3.0-5.0 | 1967-1994 | 260,000 | - | 143,900 | 116,100 |
| State School Building Bond Act of 1966 | 3.25-6.5 | 1970-1992 | 275,000 | - | 180,530 | 94,470 |
| State School Building Bond Act of 1972 | 4.2-6.0 | 1974-1997 | 350,000 | - | 135,000 | 215,000 |
| State School Building Bond Act of 1974 | 4.5-9.0 | 1978-2001 | 150,000 | \$40,000 | 25,500 | 84,500 |
| Totals, Partially Self-Liquidating Bonds | | | \$2,140,000 | \$40,000 | \$1,396,530 | \$703,470 |

* Dollars in thousands

Schedule 13
STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF DECEMBER 31, 1983—Continued
GENERAL OBLIGATION BONDS

(This statement does not include bonds issued under authority of State instrumentalities
that are not general obligations of the State of California)

| <i>Name of issue</i> | <i>Percent rate of interest</i> | <i>Maturity</i> | <i>Authorized *</i> | <i>Unsold *</i> | <i>Redemptions *</i> | <i>Outstanding *</i> |
|---|-------------------------------------|-----------------|---------------------|--------------------|----------------------|----------------------|
| SELF-LIQUIDATING BONDS ² | | | | | | |
| California Water Resources Development Bond Act of 1959 | .05-6.75 | 1973-2022 | \$1,750,000 | \$180,000 | \$126,620 | \$1,443,380 |
| HARBOR BONDS | | | | | | |
| San Francisco Harbor Improvement Act of 1909 ³ | 4.0 | 1951-1985 | \$9,000 | - | \$8,788 | \$212 |
| San Francisco Harbor Improvement Act of 1913 ^{4,5} | 4.0 | 1955-1989 | 9,450 | - | 8,670 | 780 |
| San Francisco Harbor Improvement Act of 1929 | 1.5-3.25 | 1952-1983 | 10,000 | - | 10,000 | 0 |
| India Basin Act of 1909 ⁶ | 4.0 | 1941-1985 | 853 | - | 836 | 17 |
| Harbor Development Bond Law of 1958 ⁷ | 1-5.5 | 1964-1998 | 60,000 | - | 40,625 | 19,375 |
| Totals, Harbor Bonds | | | \$69,303 | - | \$68,919 | \$20,384 |
| VETERANS FARM AND HOME BUILDING BONDS | | | | | | |
| Veterans Bond Act of 1956 | 1-3.5 | 1958-1984 | \$500,000 | - | \$491,300 | \$8,700 |
| Veterans Bond Act of 1958 | 3.5-4.0 | 1961-1986 | 300,000 | - | 257,400 | 42,600 |
| Veterans Bond Act of 1960 | .05-4.0 | 1962-1989 | 400,000 | - | 306,400 | 93,600 |
| Veterans Bond Act of 1962 | 3.1-4.35 | 1966-1988 | 250,000 | - | 197,025 | 52,975 |
| Veterans Bond Act of 1968 | 3.5-5.8 | 1971-1992 | 200,000 | - | 120,000 | 80,000 |
| Veterans Bond Act of 1971 | 3.5-6.5 | 1973-2000 | 250,000 | - | 88,300 | 161,700 |
| Veterans Bond Act of 1974 | 4.7-7.0 | 1975-2002 | 350,000 | - | 100,275 | 249,725 |
| Veterans Bond Act of 1976 | 5-5.9 | 1979-2004 | 500,000 | - | 72,000 | 428,000 |
| Veterans Bond Act of 1978 | 5.5-7.75 | 1980-2005 | 500,000 | - | 52,800 | 447,200 |
| Veterans Bond Act of 1980 | 7-11.0 | 1981-2007 | 750,000 | 0 | 45,900 | 704,100 |
| Veterans Bond Act of 1982 | - | - | 450,000 | 400,000 | - | 50,000 |
| Totals, Veterans Farm and Home Building Bonds | | | \$4,450,000 | \$400,000 | \$1,731,400 | \$2,318,600 |
| Totals, Self-Liquidating Bonds | | | \$6,289,303 | \$580,000 | \$1,926,939 | \$3,782,364 |
| TOTALS, ALL GENERAL OBLIGATION BONDS | | | \$13,725,203 | \$2,280,000 | \$4,828,994 | \$6,616,209 |

¹ The state school building issues debt service payments are partially refinanced with funds of the borrowing school districts over a 30- to 40-year repayment period as prescribed by statutes.

² The California Water Resource Development Bond Act, the San Francisco Harbor Improvement Act, and the Veterans Bond Acts are public service enterprises that have their own revenues to finance their respective debt service expenditures.

³ Callable on and after July 1, 1951, by lot.

⁴ Callable on and after July 2, 1955, by lot.

⁵ Callable on and after January 1, 1941, by lot.

⁶ Chapter 70, Statutes of 1972, authorizes a reduction in the amount of bonds from \$1,000,000 to \$853,000, and also authorizes a reduction of the San Francisco Harbor Improvement Act of 1913 bonds from \$10,000,000 to \$9,450,000 to eliminate the unsold, unissued bonds and thereby report unsold bonds as zero accountability.

⁷ The Harbor Development Bond Law of 1958 includes an authorization of \$50,000,000 for San Francisco harbor development and \$10,000,000 for the development of small craft harbors as provided by Chapter 103, Statutes of 1958, First Extraordinary Session.

* Dollars in thousands

Appendix 1

List of Budget Process Documents

The Governor's Budget is the result of a process which begins in the spring, more than one year before the budget is to be effective. Listed below are the key documents used in the budget process and a brief description of their purpose, originator and approximate release date.

| Title | Purpose | Prepared/Issued by | When |
|---|---|---|------------------------|
| Budget Letters and Management Memos | Convey Administration guidelines for budget preparation to agencies and departments | Governor/Department of Finance | April through December |
| Budget Change Proposals | Proposes and documents budget changes to maintain the existing level of service or to change the level of service | Agencies and departments submit to Department of Finance for analysis | July through September |
| Governor's Budget | Governor's proposed budget for the upcoming fiscal year | Governor/Department of Finance | January 10 |
| Budget Bill | Requests spending authorization to carry out Governor's expenditure plan (Legislative budget decision document) | Department of Finance/Legislature | January 10 |
| Governor's Budget Summary | A summary of the Governor's Budget | Governor/Department of Finance | Late January |
| Budget Analysis | Analysis of the budget, including recommendations for changes to the Governor's Budget | Legislative Analyst | February |
| May Revision of General Fund Revenues and Expenditures | Update of General Fund revenues, expenditures and surplus estimates based on the latest economic forecast | Department of Finance | Mid-May |
| Budget Act | The primary annual expenditure authorization as approved by the Governor and Legislature, including a listing of Governor's vetoes | Legislature/Governor | Late June |
| Supplemental Report of the Committee of Conference on the Budget Bill | Contains language on statements of intent and requests for information or studies | Legislative Analyst | Early July |
| Final Budget Summary | Published, if needed, update of the individual Budget Act items with changes by the Governor's vetoes, including summary budget schedules | Department of Finance | Mid-July |
| Final Change Book | Update of the changes to the detailed fiscal information in Governor's Budget in accordance with the Budget Act | Department of Finance | Late July |
| General Fund Update and Financial Legislation Report | Update of revenue and expenditure estimates, including financial legislation | Department of Finance | Early November |

Appendix 2

Glossary of Budget Terms

The following budgetary terms are used frequently throughout the Governor's Budget, the Governor's Budget Summary, and the annual Budget (Appropriations) Bill. Definitions are provided for terminology which is common to all activities. For definitions of terms peculiar to a specific program area, please refer to the individual budget presentation of interest.

The definitions of other budget-related terms may be found in the State Administrative Manual and in the annual Budget Bill.

Administration Program: An accounting for departmental central management costs. These include such costs as the Director's Office, Legal Office, Personnel Office, Accounting, and Business Services functions that generally serve the whole department.

"Administration-distributed" represents those costs which are more properly distributed to the program activities of an agency as indirect costs.

Allocation: A distribution of funds, or an expenditure limit established for an organization unit.

Allotment: A part of an appropriation, to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line-item expenditure basis.

Appropriation: An authorization from a specific fund to a specific agency to make expenditures/incur obligations for a specified purpose and period of time. The Budget Act contains many appropriations, or items. These appropriation items are limited to one year, unless otherwise specified. Appropriations are made by the Legislature in the annual Budget Act and in other legislation. Continuing appropriations (which require no subsequent legislative action) are also provided by the California Constitution.

Appropriation Limits: As defined in Section 8 of Article XIII B of the California Constitution, enacted by the passage of Proposition 4 at the November 6, 1979 general election, the growth in the level of certain appropriations from tax proceeds are generally limited to the level of the prior year's appropriation limit as adjusted for

changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another. (See A Pages for General Government.)

Augmentation: An increase in an allotment. A control section of the Budget Act authorizes the increase in expenditures for a category or project by transfer from any other category or project within the same schedule. A separate section of the Budget Act authorizes the augmentation of scheduled amounts from other departments, and from the federal government to the extent such funds have not been taken into consideration in the appropriation schedules. Both control sections require the reporting of specified augmentations to the chairperson of the committee in each house which considers appropriations and to the Chairperson of the Joint Legislative Budget Committee.

Authorized Positions: Those ongoing positions approved in the final budget of the preceding year less positions abolished because of continued, extended vacancy. The detail of authorized positions by classification is published in the Salaries and Wages Supplement for each agency. Changes in authorized positions are listed following each agency's budget presentation in the Governor's Budget. (See Proposed New Positions.)

Balance Available: Amount available for appropriation or encumbrance. It is the excess of cash and near-cash assets of a fund over its liabilities and reserves; or commonly called surplus available for appropriation. It is also the unobligated balance of an appropriation which may be encumbered for the purposes of the specific appropriation.

Baseline Budget: A baseline budget reflects the anticipated costs of carrying out the current level of service or activities as authorized by the Legislature. It includes adjustment for cost increases, but does not include changes in level of service over that authorized by the Legislature.

Budget, Program/Traditional: A plan of operation for a specific period of time expressed in

financial terms. A *program budget* expresses the operating plan in terms of the costs of activities to be undertaken to achieve specific goals and objectives.

A *traditional budget* expresses the plan in terms of the costs of the goods or services to be used to perform specific functions.

The Governor's Budget is primarily a program budget. However a summary of proposed expenditures for goods and services (Summary by Object) is included for State Operations, Local Assistance and Capital Outlay for each department, as well.

Budget Bill/Act: The Budget Bill is prepared by the Department of Finance and is submitted to the Legislature in January accompanying the Governor's Budget. The Budget Bill is the Governor's request for spending authorization for the subsequent fiscal year for on-going programs authorized by the Legislature. The Constitution requires the Legislature to pass the Budget Bill and send it by June 15 each year to the Governor for signature. After signature by the Governor, the Budget Bill becomes the Budget Act. (See the Governor's Budget Introduction for a description of the process.)

Budget Change Proposal (BCP): A proposal to change the level of service or funding sources for activities authorized by the Legislature, or propose new program activities not currently authorized.

Budget Year (BY): The next fiscal year beginning July 1 and ending June 30 for which the Governor's Budget is submitted. The year following the current fiscal year (the year we are in now).

Capital Outlay: Expenditures which result in the acquisition of or addition to major fixed assets (e.g., land, buildings and equipment related to construction).

Carryover Appropriations: Appropriations with balances available for expenditure in years subsequent to the year of enactment.

Category: A grouping of related objects of expenditure (goods or services). Such groupings are primarily Personal Services, Operating Expenses and Equipment, and Special Items of Expense.

Category Transfer: A control section of the Budget Act provides that the Department of

Finance is authorized to augment any category by transfer from any other category within the same appropriation item schedule.

Augmentations of personal services and operating expenses and equipment categories generally cannot exceed, in the aggregate, 20 percent of the amount scheduled. Lower limits exist for support appropriations which exceed \$2,000,000. (See Category.)

Changes in Authorized Positions: A statement included in each budget presentation in the Governor's Budget which reflects personnel staffing changes made subsequent to the adoption of the current year budget (transfers, positions established and reclassifications). It also includes proposed new positions for the budget year.

Character of Expenditure: A classification of expenditures. (See State Operations, Local Assistance, or Capital Outlay.)

Codes, Uniform: A set of codes, used in all major fiscal systems of California State government, which has been established to identify organizations, programs, funds, appropriation structures, receipts and line-item objects of expenditure. The Uniform Codes Manual, published by the Department of Finance, lists all such uniform codes. (See Section 1.50 of the Budget Act for an explanation of the codes used for Budget Act appropriation items.)

Continuing Appropriation: Amount, actual or estimated, available each year under a permanent constitutional or statutory expenditure authorization which is automatically renewed each year without further legislative action. The amount available may be a specific, recurring sum each year; all or a specified portion of the proceeds of specified revenues which have been dedicated permanently to a certain purpose; or it may be whatever amount is required for the purpose as determined by formula—such as school apportionments.

Control Sections, Budget Act: The Budget Act is divided into sections. Section 1.00 establishes a citation for the legislation. Section 1.50 provides a description of the format of the act. Section 2.00 contains the itemized appropriations for support of the State of California. Section 3.00 is not currently being used. Sections 4.00 through 36.00 are general sections, also referred to as control sections, which place additional

restrictions on one or more of the itemized appropriations contained in Section 2.00.

Cost of Living Adjustments (COLA's),

Statutory/Discretionary: Increases provided in state-funded programs which include periodic adjustments predetermined in state law (statutory), e.g., K-12 education apportionments; and adjustments which may be established at optional levels (discretionary) by the Legislature each year, e.g., Urban Impact Aid. (See the "A Pages" for a description of specific COLA's.)

Current Year (CY): The fiscal year beginning July 1 and ending June 30. The time period we are in now.

Encumbrance: A limitation or reserve placed on an appropriation to pay for goods or services which have been ordered by means of contracts, salary commitments, etc., but not yet received.

Expenditure: Generally, this term designates the amount of an appropriation used for goods and services ordered and received whether paid or unpaid, including expenses, provisions for debt retirement not reported as a liability of the fund from which retired, and capital outlays where the accounts are kept on an accrual basis or a modified accrual basis. Where the accounts are kept on a cash basis, the term designates only actual cash disbursements.

Federal Funds: In state budget usage, this term describes all funds received directly from an agency of the federal government but not those received through another state department. State agencies must initially deposit such federal funds in the Federal Trust Fund, a fund in the State Treasury.

Final Budget: The final budget is the Governor's Budget as amended by action taken on the Budget Bill. A Final Change Book is published by the Department of Finance after enactment of the Budget Act to reflect the changes made by the Legislature in their review of the Budget Bill and by the Governor by power of item veto. It includes a detailed list of changes by item number with a cross reference to the page number of the Governor's Budget.

Finance Letters: Proposals made by the Director of Finance to the chairpersons of the committees in each house which consider appropriations to amend the Budget Bill and Governor's Budget from that submitted January

10 to reflect a revised plan of expenditure for the Budget Year.

Fiscal Year (FY): A 12-month state accounting period which varies from the calendar year and the federal fiscal year. In California State government, it lasts from July 1 through the following June 30. It is the period during which obligations are incurred, encumbrances are made and appropriations are expended. The Governor's Budget presents three years of detailed fiscal data for the past, current and budget years.

The state fiscal year is often referenced by the first calendar year of the fiscal year, e.g., "'81" or "1981" means the 1981-82 fiscal year. By contrast, the federal 1981-82 fiscal year is often referenced as "'82" or "1982", and lasts from October 1 through September 30. (Calendar years are also used in the state for economic, revenue and other program purposes, and are referenced as "1981" or "'81"; thus, it is often difficult to determine whether a calendar, state fiscal or federal fiscal year is being referenced.)

Fund Balance: Excess of the assets of a fund over its liabilities and reserves. (See Balance Available, Reserve for Economic Uncertainties and Surplus.)

Fund Condition Statement: A statement included in the Governor's Budget for each special fund, special accounts in the General Fund, selected bond funds, and Governmental Cost funds to disclose the fund assets, liabilities, reserves and surplus.

Funds: A legal entity that provides for the segregation of moneys or other resources in the State Treasury for specific activities or obligations in accordance with specific restrictions, or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves, and surplus (fund balance), as well as its income and expenditures. The assets of a fund may also be placed into separate accounts to provide for limitations on specified fund income or expenditures. (See Governor's Budget, page B-1 for a description of the types of funds in the State Treasury.)

Item: (See Appropriation.)

Limited-Term Positions: A limited-term position is any position which has been authorized for a specific length of time with a set termination

date. Limited-term positions may be authorized during the budget enactment process or in transactions approved by the Department of Finance.

Line Item: (See Objects.)

Local Assistance: Expenditures made for the support of local government activities.

Local Mandates: (See state-mandated local program.)

Merit Salary Adjustment: A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary adjustment of 5 percent per year to recognize proficiency in the work performed up to the upper salary limit of the work classification.

Minor Capital Outlay: Minor Capital Outlay consists of construction projects or equipment acquired to complete a construction project estimated to cost less than \$150,000.

Objects (line items): A subclassification of expenditures based on type of goods or services. For example, the Personal Services Category includes the objects of Salaries and Wages and Staff Benefits. These may be further subdivided into line items as State Employees' Retirement, Workers' Compensation, etc. Objects do not reflect a function or purpose to be served by the expenditure. A Summary by Object is provided for each department's budget in the Governor's Budget for State Operations, Local Assistance and Capital Outlay expenditures. The Department of Finance publishes a Uniform Codes Manual which reflects the standard line-item objects of expenditure.

Past Year: The fiscal year just completed. (See Fiscal Year.)

Personnel Years: The actual or estimated portion of a position expended for the performance of work. For example, a full-time position which was filled by an employee for half of a year would result in an expenditure of 0.5 personnel years.

Positions: (See Authorized Positions.)

Programs: The activities of an organization grouped on the basis of common objectives. Programs are comprised of elements, which can be further divided into components and tasks

(the lowest defined program activity).

Proposed New Positions: A request for an authorization to expend funds for the employment of additional people for the performance of work. Proposed new positions may be for limited-time periods (limited term) and for full or less than full-time. Proposed new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed.

Reappropriation: The extension of the availability of an appropriation for expenditure beyond its set termination date and/or for a new purpose. Reappropriations are usually authorized by the Legislature for one year extensions at a time.

Receipts: Describes an increase in the assets of a fund including revenues as well as transfers from other funds, federal receipts and fund reimbursements.

Reconciliation With Appropriations: A statement in each budget presentation which sets forth the source and amount of appropriations, by fund, available to the department and the disposition of such appropriated funds. Statements are presented by fund for each character of expenditure, i.e., State Operations, Local Assistance and Capital Outlay.

Reimbursements: Amount received as a repayment of the cost of work, or service performed, or of other expenditures made for or on behalf of another governmental unit or department. Reimbursements represent the recovery of an expenditure. Reimbursements are available for expenditure in accordance with the budgeted amount (scheduled in an appropriation).

Reserve for Economic Uncertainties: Control sections of the Budget Act provide for the establishment of a reserve of funds in the General Fund and in each special fund to provide for emergency situations. The appropriation of such funds from the reserves are not subject to the appropriation limits imposed on other appropriations. (See Appropriation Limits.)

Reserves: An amount set aside in a fund to provide for expenditures from the unencumbered balances of continuing appropriations, economic uncertainties, future apportionments, for pending salary or price

increase appropriations, and appropriation for capital outlay projects.

Revenue: The addition to cash or other current assets of governmental funds (receipts) which do not increase any liability or reserve and do not represent the recovery of an expenditure, i.e., reimbursements. Generally, revenue is derived from taxes, licenses, and fees or investment earnings.

Reversion: The return of the unused portion of an appropriation to the fund from which the appropriation was made. The undisbursed portion of an appropriation reverts two years after the last day of availability for encumbrance. The Budget Act often provides for the reversion of unused portions of appropriations when such reversion is to be made prior to the statutory limit.

Salary Savings: Salary savings reflect personnel cost savings resulting from vacancies and downward reclassifications as a result of turnover of employees. The amount of budgeted salary savings is an estimate generally based on past year experience.

Staff Benefits: The staff benefits object represents the state costs of contributions for employees' retirement, OASDI, health and welfare benefits, workers' compensation, unemployment insurance, industrial disability leave benefits, and nonindustrial disability leave benefits.

State-Mandated Local Program: State reimbursements to local governments for the cost of activities required by legislative and executive acts. This requirement was established by Chapter 1406, Statutes of 1972 (SB 90) and further ratified by the adoption of Proposition 4 (a constitutional amendment) at the November 6, 1979 general election. (See Governor's Budget: 9680 State-Mandated Local Programs.)

State Operations: Expenditures for the support of State government, exclusive of capital investments and expenditures for local government activities.

Summary by Object: A summary of actual past year and estimated current and budget year expenditures for goods and services for each organization presented for State Operations, Capital Outlay and Local Assistance expenditures.

Summary of Program Requirements: At the front of each departmental budget is a Summary of Program Requirements. It presents the various departmental programs by title, dollar totals and source of funds for the past, current and budget years.

Summary Schedules: The "B Pages" of the Governor's Budget include schedules which summarize state revenues and expenditures for the past, current and budget years. (See B Pages.)

Surplus: A surplus is the amount that exceeds liabilities and reserves. This term is no longer favored although still used in many fiscal presentations. (See Fund Balance.)

Tax Expenditures: Subsidies provided through the taxation systems. (See A Pages.)

Transfers: As reflected in fund condition statements, reflects the movement of resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority.

